

news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

NPES Annual Conference Wrap

PRINT REINVENTED 2011: THE FUTURE OF MEDIA COMMUNICATIONS

NPES members in attendance at the NPES 2010 Annual Conference, November 18-20 in Phoenix, Arizona were treated to a hard-hitting, high octane business agenda. Topics ranging from the new rules of marketing, to megatrends in digital printing applications, plus the much-anticipated global and industry economic presentation and analysis, reconfirmed for participants that education was the primary draw for attending the conference.

Guided by the Association's Programs and Meetings Commit-

tee, **D.J. Burgess**, of Burgess Industries; **Gerald Clark** of Advanced Vision Technology; **Gavin Jordan-Smith** of Xerox Corporation; **Vince Lapinski** of manroland, Inc.; **Jochen Meissner** of Goss International Corporation; and, **Elinor Midlik** of Prime UV Systems, the program was designed to engage members in lively dialogue with an array of top business and industry leaders who were specifically selected to help attendees position themselves for success based on the changing models of today's print industry.

On Thursday, November 18, to officially welcome the eight first timers who participated in their very first annual meeting, NPES Board members and staff gathered together to personally welcome them to the conference and escort them to the opening Welcome Reception and Dinner. Throughout the entire evening was the affable buzz of networking among old friends and new.

Kicking off the proceedings on Friday morning, keynoter David Meerman Scott, marketing strategist and bestselling author of *"The New Rules of Marketing and PR"* and *"World Wide Rave,"* addressed the need in today's brutally competitive



David Meerman Scott, keynote presenter and bestselling author of *"The New Rules of Marketing and PR,"* illustrates how to surprise, delight and capture customer attention—and keep them coming back for more.

business environment to understand how harnessing social media and viral marketing, in tandem with print, can engage and change consumer behavior. His eye-opening presentation demonstrated for attendees how, within mere hours and days, they can participate in controlling the messaging for, and about, their companies.

Next up with his up-to-the-moment economic outlook and analysis was Alan Beaulieu, president of the Institute for Trends Research (ITR). Interestingly, ITR is the oldest continuously operating economic research firm in

the United States with a remarkable 96% accuracy rate and 60 years of correct calls. In fact, Alan was invited back to present at this year's meeting based on the overwhelming member response received after his amazingly accurate forecasts provided first at our Annual Conference in 2007, and then the NPES Industry Summits in both 2009 and 2010.

Turning our attention from economics to print applications, Marco Boer, Vice President of I.T. Strategies, Inc., rounded out the day's program by sharing his knowledge with attendees about

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chairman's perspective

D.J. Burgess

NPES Chairman

Burgess Industries, Inc.



Broken Arrow!

The term "Broken Arrow," as used in the film *We Were Soldiers*, was the military code-word used when a ground unit was facing imminent destruction from an enemy attack. When given the "Broken Arrow" command, it meant: every man for himself; do what it takes to survive—and also that a full-on air assault was on the way, *so take cover!*

In *We Were Soldiers*, shortly after Mel Gibson (who played the role of Lt. General Hal Moore) gave the "Broken Arrow" command, jet-fighters and bombers pounded the military post's perimeter with heavy mortar, napalm and bombs until the enemy was entirely wiped-out, which allowed him and his men to advance and win the battle.

During the Vietnam War, the battle of La Drang was the first major military encounter between the Americans and the Vietcong. Although it lasted for only three days, the casualties were high...about 350 Americans and nearly 4,000 Vietcong were dead. The puzzling thing...*both* sides claimed victory!

Back to the present, who would have imagined that, in what *felt* like only three days, our industry which depends on several sectors would face such a precipitous drop in the housing, auto, financial and retail market segments—and all at the same time? With 60 percent of printing driven by some form of advertising and the successful flow of our economy, the command "Broken Arrow" was surely *felt* worldwide as reality set in for most companies and not just in printing—but many industries. "Broken Arrow!" What better way to describe how we felt watching 30 percent of the world's revenue vanish.

I'll never forget the uneasiness that consumed me as I sat on the edge of my bed in my 48th floor Singapore hotel room as I watched the breaking news on CNN about the fall of Merrill Lynch. At that moment I felt so all-alone and overwhelmed as I contemplated the future of our U.S. financial market and began to imagine the ripple effect that would undoubtedly permeate the global financial markets.

By far, our "Great Recession" has been the biggest battle of our careers and has no doubt brought great losses. Yet, it has also brought about great opportunity in a world that was already in the midst of change.

Businesses have a tendency to believe that downturns and recessions drive technological change. In fact, just the *opposite* is true. Technological advancements don't slow in a recession; customers just stop buying. As history illustrates, technology evolutions are constantly in motion; take for example the impact of the Internet and other technological advances such as:

- Hanvon/Kindle e-readers (single function devices): 4 million worldwide in 2009 projected to be 14 million units by 2011.
- iPad-Slate (multi-function devices): 1 million in 2009 projected to be 40 million by 2011.

Consider these additional examples of technology advancement/integration in India:

- Social media applications such as Facebook, made it easy for the citizens to connect making India the second fastest user of Facebook in

the world, after Indonesia.

- 12 million Facebook users in India are uploading more than 53 million photos per month—and mobile usage has increased nine-fold in the past year!

- India is unique as much of its population has no access to broadband Internet; many use Facebook on their mobile phones and through wireless connections with data cards and other services.

Consider these examples of technology advancement/integration in the U.S.:

- The Tower Group, a financial research company, projects that mobile banking users will quintuple in the next four years, from 10 million active users today to more than 53 million in 2013! (Banks will have to develop mobile applications to keep "digital natives," young adults 18 to 25 years old who grew up with computers and do everything from their phones, as customers.

- Between 35 to 40 percent of U.S. wireless subscribers now have phones with mobile Internet access and text messaging, which do not require a Web Browser and provide access everywhere.

- Nearly every person with a cell phone can receive a text message.

As our industry moves forward, we must separate the impact of the recession from the ongoing technology advancements taking place worldwide. We must acknowledge that print is *not* dead and that these new communication platforms present new opportunities—*not* our ultimate demise.

Economist Alan Beaulieu revealed during his presentation at the NPES 2010 Annual Conference that print moves in tandem with GDP. "Don't plan on the economy, government, or an economic bubble to move [our] industry and businesses forward to profitability and growth," he counseled. "Shear guts, brains, courage, strategic planning with well-executed tactics, and new marketing are the keys to survival and success."

What does all this mean for the Graphic Communications industry and NPES member companies? For the past 77 years, NPES has led its members through the ups and downs of economic challenges and technological change. Again today, our association is leading the way with a major strategic planning process designed to help us recognize, understand, and formulate individualized responses to the changes happening all around us to our companies' best advantage. With the assistance of noted 'change management' expert Seth Kahn, our organization has identified the major trends impacting the world and our industry, and developed aggressive mission statements with supporting goals for both NPES and GASC.

As we finalize this new scope and direction, NPES will again respond to our changing world by revealing the new opportunities that await us! With a bit more yet to do to complete this strategic plan, we are pleased with the progress and confident in our ultimate success. Looking ahead, best wishes to you for a prosperous New Year. ●

CONFERENCE, continued from page 1

some of the key trends in digital printing today based on the new PRIMIR study, "Megatrends in Digital Printing Applications."



Alan Beaulieu, president of the Institute for Trends Research returns to the Annual Conference line-up—by attendee request—with his historically 'on-the-money' analysis of the economic cycle, to present where we are now, and how best to take advantage of the opportunities it presents.

As the busy morning of education and business networking drew to a close, attendees and guests eagerly anticipated the Reception and Awards Dinner, an elegant and enjoyable evening featuring the presentation of the Harold W. Gegenheimer Award, a time-honored tradition at NPES annual conferences. During the reception that preceded the formal dinner program, attendees took full advantage of yet another networking opportunity to meet and greet old friends and new, to exchange perspectives on the morning's education program, and to discuss their organization's plans for the coming year.

The evening officially began as Chairman Burgess welcomed those in attendance and recognized the evening's participants because, "Just like our 26 founding members back in 1933 who gathered together to form our Association, we are all here this evening because we share a passion for our industry and a vision for its future."



John St. John of Systems Technology Inc. (r), joins Annual Conference participants in applauding presenter Alan Beaulieu for his enlightening and uniquely entertaining 'take' on the state of the economy and predictions about the future.

Featuring the presentation of the association's Harold W. Gegenheimer Award, the evening's program included special recognition for the dedicated involvement of outgoing NPES Board members: **Bruce Goodwin**, who has chaired the NPES Government Relations Committee; **Vince Lapinski**, who hosted NPES Regional Meetings and was instrumental in the recent success of the News Print Pavilion at GRAPH EXPO 2010; and, **Ulrik Nygaard**, who served one of the longest terms on the Board—eight years—and also for the past three years has chaired NPES' Government Relations Committee.

At the conclusion of the evening program, when the time arrived to recognize 2010 honoree **David Reny** of Standard Finishing Systems with the Harold W. Gegenheimer Award for Individual Service, he was hailed for his active support and many contributions to the industry and NPES.



D.J. Burgess offers an inspiring entrepreneurial vision of the future for the print industry in his Chairman's Address.

Following the festive evening of friendly camaraderie, bright and early on Saturday morning, it was down to business as the NPES General Membership Meeting convened to receive the Treasurer's and Nominating Committee reports and elect the association's leadership for the coming year. Re-elected as NPES Chairman

was **D. J. Burgess**, President of Burgess

Industries, Inc. along with four new directors: **Gerald Clark**, Director of Corporate Accounts for Graphics Microsystems/AVT; **Dennis Killion**, Director of Marketing-Graphics for xpedx; **Michael V. Ring**, President of the Itasca, IL-based Xeikon North America; and, **Marc Olin**, Senior Vice President and General Manager of Professional Printing Applications.

With the association business completed, the day's education program began in earnest. Attendees enthusiastically welcomed Joe Truncale, President & CEO of NAPL, for his presentation on "Capital Investment in a Recovering Economy," that revealed highlights from the recently completed *NAPL Capital Investment Study* in which over 350 companies with annual sales ranging from under \$1 million to over \$350 million participated. In this eye-opening session, participants learned about their customers' investment priorities for the next three years, from their plans to invest in new and/or used equipment to expand capacity, to replace capacity, and their most trusted sources of capital investment advice.

With the drumbeat for sustainable production growing ever louder, Jean Denault, Vice President of Procurement & Technology for Transcontinental Inc. took the podium to share his knowledge on "The

Evolving North American Print Market." In addition to being the largest printer in Canada and Mexico, and the fourth largest in North America, Transcontinental is also one of Canada's leading media groups and providers of integrated marketing solutions. Based on Jean's three decades of experience, plus overseeing a Transcontinental team that ensures investments in equipment, raw materials, supplies, IT and real estate meet the high efficiency standards, attendees found his perspective and insights invaluable in finding new ways to adapt to best serve their customers.



The Awards Dinner offered an opportunity for networking, which attendees stated throughout the program was a key reason for attending the conference.

Rounding out a jam-packed morning of education, **D.J. Burgess** delivered his Chairman's Address with an inspiring vision of how positive action can overcome adversity and ultimately reveal the new opportunities that lie ahead for our industry. He compared the past couple of years in our industry to a time of struggle that, at times, appeared insurmountable. But from past downturns to upswings and back, he adeptly illustrated just how far our industry and NPES members have come, and will continue to move



Elinor and Jules Midlik of Prime UV Systems (l and c) and presenter "Pitch" Picciotto (r), exchange their perspectives on leadership in the face of adversity.

forward, armed with a results-oriented tenacity and a positive outlook on the future.

Following another one of the timely networking breaks interspersed throughout the program, attendees reconvened for the meeting's final and much-anticipated presentation by Richard

Continued on page 4

“Pitch” Picciotto, Battalion 11 Commander of the New York City Fire Department. “Pitch” is a former New York City police officer and also a 28-year veteran of the New York City Fire Department. Throughout his career he has received numerous departmental awards and commendations for bravery and meritorious service. Pitch was the highest ranking firefighter to survive the World Trade Center collapse. He was the last fireman to escape the devastation, on the stairwell between the sixth and seventh floors of the North Tower when it collapsed on September 11, 2001. As tribute to the 343 firefighters and 2,400 civilians who lay dead in the rubble that surrounded him on that day, he authored *“Last Man Down,”* which became an immediate *New York Times* best-seller upon its release in May 2002.

Pitch shared a gripping account of split-



Richard “Pitch” Picciotto, Battalion 11 Commander of the New York City Fire Department, received a standing ovation from attendees following his account of the events surrounding the September 11, 2001 collapse of the World Trade Center and tribute to the firefighters and civilians who perished that day.

second decisions under pressure that ultimately affected the lives of his team, civilians on the scene, and his own. At the conclusion of his presentation,

attendees erupted into spontaneous, thunderous applause commending him for his selfless service on that dreadful day, and in appreciation of the inspirational lesson they learned about leadership under pressure.

As the NPES 2010 Annual Conference drew to a close, attendees reconvened one final time for the evening’s networking reception before departing for dinner.

Since the conference concluded, attendees offered thoughtful and enthusiastic feedback via their program evaluations and e-mails, which bodes well for our industry’s next event, the Vision 3 Summit, to be held March 13-16, 2011 in Palm Desert, California. For complete information and to register for this groundbreaking event, visit: www.vision3summit.org. ●

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. For some time now both new and used printing equipment filings have been declining or flat...certainly lacking an upward direction. However, it appears that with the data through November 2010, there now appears to be a shift to the upward direction. New equipment filings are up 31.5% from the low in July and used equipment filings are up 47% from the July low point. Only time will tell if this is a trend or an aberration.

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.

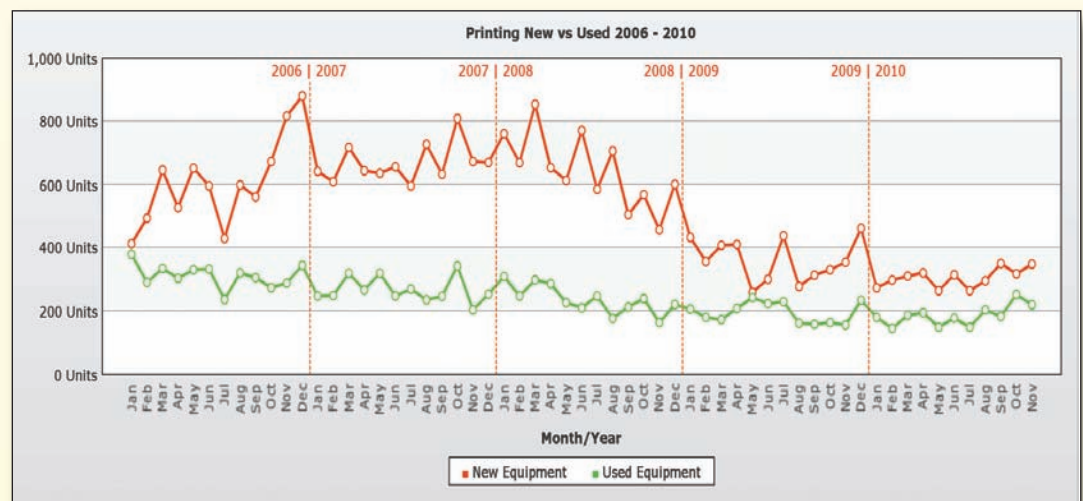
This information is extracted directly from EDA’s comprehensive database of nearly 30,000 records for purchasers of printing equipment.

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 companies 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.

Vision 3 Summit Offers Real-World Leadership Strategies

What defines a leader? Having a strong vision for your company? The ability to guide your firm through tough times without losing employee loyalty? While 'leadership' may mean different things to different people, most will agree that effective leadership is crucial for developing and growing a successful business. To answer these questions, and more, a special session at the Vision 3 Summit will specifically focus on the topic of leadership and what it takes to drive a company forward in these changing times.



John Wright

Vision 3 Summit speaker John Wright's printing and database marketing firm grew to more than 150 employees and was purchased to become the cornerstone of the third largest direct marketing agency in the United States. With roots in packaging and printing, Wright maintains an equity partnership in a commercial printing company. His leadership training methods have driven tangible, sustainable results for large and small organizations in multiple industries.

vendors—in the graphic communications industry.

The session, "Leadership: From Vision to Reality," will offer practical tools for driving your organization forward, including how to develop a strong executable plan, how to fine-tune your current leadership abilities, and how to transition your big ideas into successful action items that will lead to lasting, sustainable success. Speaker John Wright, who grew his own printing and database marketing firm to more than 150 employees, will also detail how to execute effective integrated marketing campaigns.

"No matter how flawless your product, or how good your customer service, a business will not function in the long-term if it isn't led by someone who understands the business, realistically sees the challenges and opportunities

ahead, and knows how to lead their employees forward to successfully address those challenges and take advantage of those opportunities," said Ralph Nappi, president of NPES. "This session will help graphic communications executives lead their businesses and their employees to new levels of success."

In addition to "Leadership—From Vision to Reality," the Vision 3 Summit will address a range of topics crucial to running a successful graphic communications business. Topics will span the gamut of management concerns from the economic recovery, to future growth markets, to new-media marketing strategies and sales tactics, with a

particular emphasis on real-world applications with best practices and 'how-to' advice. The Vision 3 Summit will also feature a variety of networking events and a number of receptions.

The Vision 3 Summit replaces NAPL's, NPES' and Printing Industries 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. Additionally, PRIMIR will hold its Spring Meeting in conjunction with the Vision 3 Summit.

While the first co-produced conference by NPES, NAPL and Printing Industries of America, the Vision 3 Summit is *not* the first joint venture between the three organizations. NPES, NAPL and Printing Industries of America also co-own the Graphic Arts Show Company (GASC), which produces the industry marketplace GRAPH EXPO and PRINT exhibitions.

For complete program information and to register for the conference, visit: www.vision3summit.org. For pre-event updates and news follow the Vision 3 Summit community online at: Facebook.com/Vision3Summit, Twitter.com/Vision3Summit, and Youtube.com/Vision3Summit. ●

Register NOW and Save!

Early Bird Registration Deadline: **February 11, 2011**

REGISTER

www.vision3summit.org

Registration Questions?

Contact Carol Lee Hawkins

E-mail: chawkins@npes.org

Phone: 703/264-7200

HOTEL

Desert Springs JW Marriott

74855 Country Club Drive

Palm Desert, CA

Phone: 760/341-2211

Toll Free: 888/538-9459

Reservations Online:

<https://www.marriott.com/hotels/travel/ctdca-jw-marriott-desert-springs-resort-and-spa/>

Discount Room Rate:

Refer to the "Vision 3 Summit" and make your hotel reservations by **Friday, February 11, 2011.**

TRAVEL

Trip Planner:

<http://www.vision3summit.org/Location/TripPlanner.aspx>



Lame Duck 111th Congress Lays Golden Egg for Capital Investment

NEW INCENTIVES PART OF EXTENSION OF BUSH-ERA TAX CUTS AND OTHER PRO-BUSINESS, PRO-GROWTH TAX LAW

Capital investment was given a huge boost when the “Lame Duck” 111th Congress in its waning days enacted and President Obama signed into law *The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010* on December 17, the most aggressive capital investment tax policy in recent memory. The legislation also extends the Bush-era tax cuts and includes a number of other pro-business, pro-growth provisions beyond the scope of this article.

Specifically, the new tax law extends current law IRC Section 168(k) 50 percent bonus depreciation (enacted in 2009 as part of the *American Recovery and Reinvestment Tax Act of 2009*, and extended in *The Small Business Jobs and Credit Act of 2010*) for two more years for equipment placed-in-service before January 1, 2013. And under a special provision provides 100 percent expensing for qualifying new plant and equipment acquired and placed-in-service after September 8, 2010

and before January 1, 2012. Qualifying property continues to include depreciable tangible personal property purchased for use in the active conduct of a trade or business including, printing, publishing and converting equipment, as well as off-the-shelf computer software.

The new tax law also extends enhanced IRC Section 179 expensing (currently set at \$500,000/year with a phase-out starting at \$2 million/year for tax years beginning in 2010 and 2011) through tax years beginning in 2012, but at a somewhat lower level of \$125,000/year with a \$500,000 phase-out. Those amounts will revert to \$25,000 and \$200,000 respectively in 2013. Unlike bonus depreciation, expensing applies to both new and used qualifying property, and is subject to annual dollar, investment and taxable income limits.

This so-called “second round” of bonus depreciation is once again accompanied by a refundable corporate AMT (Alternative Minimum Tax) credit provision

similar to but not quite as generous (does not apply to old R&E credits) as the one employed in 2008 and 2009, but omitted in the 2010 stimu-

lating need to free up more financing, especially for smaller businesses, to enable firms to take advantage of these investment incentives. To that end,

2008—2012 Bonus Depreciation Schedule

Placed-in-Service Date	Depreciation Bonus
Jan. 1, 2008 – Sept. 8, 2010	50 percent
Sept. 9, 2010 – Dec. 31, 2011	100 percent
Jan. 1, 2012 – Dec. 31, 2012	50 percent

lus act. Specifically, corporations will be able to utilize their AMT credits in lieu of bonus depreciation on property placed-in-service in 2011 and 2012.

This election will allow a taxpayer to “monetize” its AMT credits generated before 2006, and will equal the lesser of 20 percent of the additional first-year bonus depreciation foregone, or 6 percent of the AMT credits generated before 2006 that were available for the first taxable year ending after March 31, 2008. However, in no event will the credits be allowed to exceed \$30 million, and straight-line depreciation must be used for such property. There are also special rules for corporations that are part of controlled groups or partnerships.

NPES President Ralph Nappi stated that “these new and extended capital investment incentives reflect tax policy long advocated by the Association, and will be very helpful to equipment suppliers’ customers that have a need for capital purchases.” He also noted the con-

NPES continues to work to provide its members with information about sources of capital investment financing.

For a Tax Calculator incorporating the new incentive see: www.npes.org/tax_calculator10.asp. Along with a Tax Calculator, it is important to note, however, that the effect of federal law varies from state to state.

NPES cautions that its tax calculator and this article are solely informational and do not constitute legal or other advice from NPES. In that regard, readers are advised to seek professional counsel from their own financial, accounting and legal advisors to apply these new incentives and other tax laws to their particular circumstances. For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org. ●

Acknowledgements: Staying in place: Congress extends the Bush tax cuts, December 2010, Tax Policy Group of Deloitte Tax LLP in Washington, D.C.

NPES Members Benefit from Exhibitor Discount for Expográfica 2011

NPES members planning to exhibit in Expográfica, coming May 17-20, 2011 to the Centro Banamex in Mexico City, are entitled to a special 5% discount on exhibit space. For complete information contact Guadalupe Olvera at phone: 52 (55) 5536-1969, e-mail: sales@expografica.com.mx, or visit www.expografica.com.

PRIMIR Puts a Wrap on 2010 with Meeting in Florida

The PRIMIR Winter Meeting in early December in Boca Raton, Florida included a very diverse schedule of task force meetings, critical presentations, and a tour to the Océ Customer Experience Center. While it was nearly as cold in Boca as it was up north, attendees warmed up to the fact that they came to Florida, not for the climate, but rather the premium content shared through the presentations, task force meetings, and networking opportunities.

The meeting kicked-off with a presentation from Meldon Wolfgang, Partner and Managing Director at The Boston Consulting Group. He provided a sobering view of the U.S. Mail volumes to 2020. Despite the forecast -1.5% CAGR (Compound Annual Growth Rate) declines noted, there are a few bright spots for the USPS, such as packaging which is expected to see a 3% CAGR through 2020. A post presentation interview with Mel is available at: <http://tinyurl.com/2ftvesk>.

John Zarwan (J Zarwan Partners) and David Davis (INTERQUEST) did a tag-team presentation of the findings from the recently completed PRIMIR study ***“Trends & Future of Direct Marketing: 2010 – 2013.”*** Of concern to firms in the printing industry is the impact the current economic crisis will have on future volume. While it is expected that some volume will come back with a recovery, the study states clearly that “the cost of print-based direct marketing remains its single greatest challenge” and that print will lose share in the direct marketing pie. As one direct marketing service provider stated, “there’s been a seismic shift. The economy prompted it. People had print programs, and they kept doing them, and then added other things to print. When the economy got bad, people looked at what they were doing, and evaluated everything. This recession was different—when print was put up against other channels, we came out on the losing side. We think that volume is gone forever.”

The research also points out that while marketers sought less expensive alternatives in the electronic channels, electronic channels have their own challenges as they are largely unproven and privacy issues remain of concern.

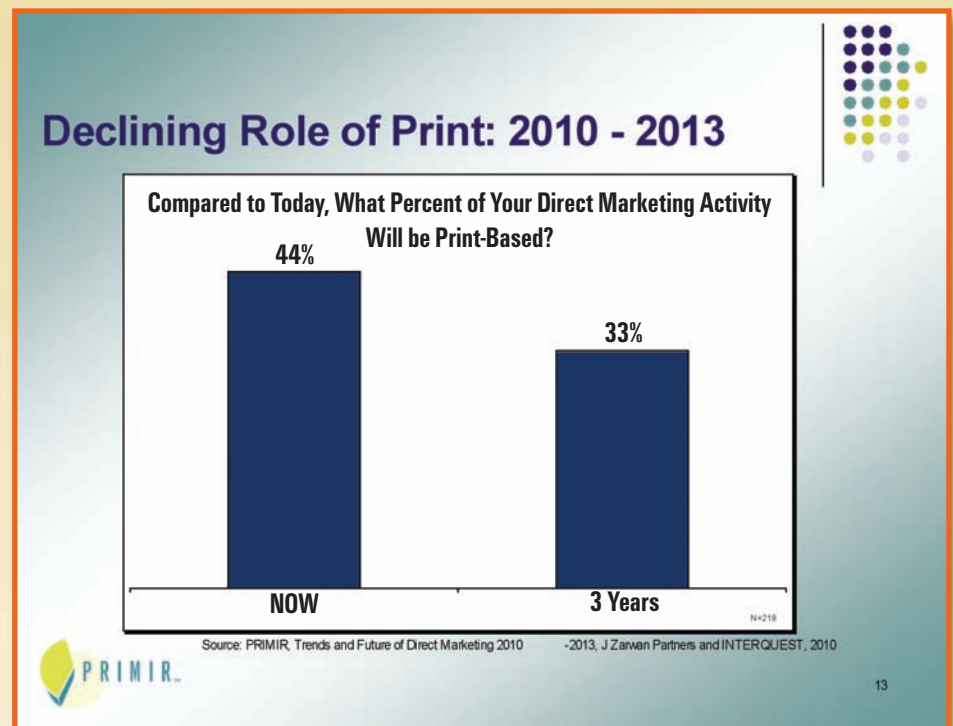
Post presentation interviews with David Davis and John Zarwan are found at:

<http://tinyurl.com/24kao2d> and <http://tinyurl.com/3xpy4vb>.

The Direct Marketing PRIMIR study presentation was followed by a panel discussion that included Mike Panaggio, CEO & Founder, DME; Don Mader, CEO/Owner, and Joanie Lotze, Marketing Manager, Southeastern Printing; as well as Bob Gibson, President, Gibson Roscoe Advertising, who commented on the findings of the PRIMIR study. They also provided some interesting facts about their firms’ involvement in direct marketing and how they fared during

Industry.” He noted that while print is a mature market and in decline, there are some scenarios where print could have a reversal of fortune and thrive by 2020, and outlined the factors necessary for this scenario.

At the conclusion of each research study PRIMIR recognizes the contributions from Task Force co-chairs who are involved along with PRIMIR staff in providing additional leadership and guidance to the commissioned consultants throughout the process. PRIMIR recognized the co-chairs who were involved in both the ***“Megatrends in Digital Printing Applications”*** and ***“Trends & Future of***



this recession. It was noted that direct marketing printers need to “focus on the outcome [of the campaign] rather than the output.”

PRIMIR attendees also toured the Océ Customer Experience Center in Boca Raton where they learned about the range of products offered by Océ and the newest devices announced.

Dr. Ronnie Davis, VP & Chief Economist of Printing Industries of America capped the PRIMIR meeting with a presentation that shared insights from a book he recently published, entitled *“Beyond the Horizon: Future Paths for the Printing*

Direct Marketing” task forces. In addition to Andy Gordon, who co-chaired both of the task forces, and Jennifer Young, who co-chaired the direct marketing study, plaques were also presented in absentia to Paul Foszcz formerly of manroland and Georg Bernskoetter of Hewlett Packard for their involvement/leadership on the digital printing study.

PRIMIR also launched three new studies for 2011 at the meeting in Boca Raton including: ***“Impact of Electronic Technologies on Print,” “Printing Industry Consumables Usage & Trends,”*** and ***“Evolution of General Commercial Print: Implications for the Future.”*** ●

NPES CALENDAR

February 2011

ICC Meeting

February 14-17 • Tokyo, Japan

March 2011

CGATS/USTAG

March 3-4 • Sewickley, Pennsylvania

Vision 3 Summit

Desert Springs JW Marriott
March 13-16 • Palm Desert, California

PRIMIR Spring Meeting

Desert Springs JW Marriott
March 14-15 • Palm Desert, California

April 2011

TC130 Working Groups

April 11-15 • Berlin, Germany

May 2011

Expográfica

NPES Member Booth and Trade Mission
May 17-20 • Mexico City, Mexico

June 2011

ICC Meeting

June 14-17 • Barcelona, Spain

CGATS/USTAG

June 23-24 • Kansas City, Missouri

September 2011

EXECUTIVE OUTLOOK Conference

September 10 • Chicago, Illinois

GRAPH EXPO

September 11-14 • Chicago, Illinois

TC130 Working Groups and Plenary

September 12-18 • Tokyo, Japan

International Graphic Arts Show

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

October 2011

CGATS/USTAG

October 6-7 • Long Beach, California

NPES 2011 Annual Conference

October 17-19 • Palm Beach, Florida

November 2011

ICC Meeting

November 13-15 • San Jose, California

October 2012

GRAPH EXPO

October 7-10 • Chicago, Illinois

September 2013

PRINT

September 6-11 • Chicago, Illinois

Small Business Dodges Estate Tax Bullet for Two Years:

BUT 1099 MANDATE REPEAL LEFT OUT OF GOP/OBAMA TAX DEAL

The Federal Estate Tax that expired on January 1, 2010 under the terms of Bush-era *Economic Growth and Tax Relief Reconciliation Act of 2001* has been reinstated as part of the *Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010* that became law on December 17, but with a higher exemption and lower tax rate than would have been the case if the tax had reverted to its pre-Bush-era level, as it was scheduled to do under the terms of the 2001 Act.

Specifically, the new law sets the exemption at \$5 million per person and \$10 million per couple, with a top tax rate of 35 percent for the estate, gift and generation-skipping transfer taxes for two years, through 2012, and the exemption amount is indexed beginning in 2012. But unless Congress and the President act to make these new levels permanent, on January 1, 2013 the law will revert to the pre-2001 structure, with a 55 percent top marginal rate and an individual exemption of only \$1 million, with no inflation adjustment.

Although opposed to the concept of the Estate Tax, NPES and other small business advocates have supported a 45 percent tax rate on estates above \$3.5 million per individual and \$7 million per couple, a total permanent repeal of the Estate Tax not seeming to be politically likely.

The two key objectives of NPES and other opponents of the tax have been: 1) to give relief to the vast number of small entrepreneurial businesses whose competitiveness and sustainability are impeded by the Estate Tax itself, along with the unnecessary and counterproductive estate planning expenses it fosters; and, 2) to provide the certainty of a permanent reduction of the Estate Tax rate.

The law signed by President Obama is actually more favorable than that sought by NPES and its allies, having higher exemption amounts and a lower tax rate, but it is deficient in that it is not permanent, putting off to another day a further reckoning on the matter.

The new law is effective January 1, 2010, but allows taxpayers to choose no estate tax and modified carryover basis for estates arising on or after January 1, 2010 and before January 1, 2011. It also sets a \$5 million generation-skipping transfer tax exemption and zero percent rate for the 2010 year.

Left out of the GOP/Obama tax deal was repeal of the onerous new IRC Section 1099 mandate that is part of the new healthcare law which requires that in 2012 every business must issue an IRS Form 1099 to any and all vendors to whom the business has paid more than \$600 a year for services or property. The Form 1099 must also be sent to the Internal Revenue Service.

In addition to issuing the forms, a business will have to get Taxpayer Identification Numbers (TINs) from all of those vendors and withhold payments to any such vendor until it receives the TIN. Penalties apply if a business fails to issue 1099 forms as mandated.

Under the existing law, businesses issue 1099 forms only to individuals who provide services greater than \$600 to a business. The new law makes two changes: first, the Form 1099 must be issued to corporations as well as to individuals, and second, it must also be issued to individuals and corporations that provide property to a business.

Although the effort to repeal the new Form 1099 mandate fell short in the lame duck session of the 111th Congress, it is certain to be the target of a continued and concerted repeal effort in the 112th Congress.

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