



# news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

## NPES 2008 Regional Meeting Series REACHES OUT TO MEMBERS ON LOCAL BASIS

In January and February, 116 print industry executives from 51 companies participated in one of five NPES Regional Meetings held in Teaneck, NJ; Dayton, OH; Irvine, CA; Chicago, IL and Boston, MA. This series of one-day industry education and business networking events, which debuted last year, delivered a content-rich program in areas easily accessible to the largest geographic concentration of NPES members, and according to attendees the concept – and this year’s program – was a resounding success!



NPES Regional Meetings were a well-received, effective outreach to the 116 attendees from 51 companies who participated in one of the five sessions held across the country in January and February.

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Each session combined a blend of interactive industry-customer dialogue, a dynamic presentation on how to differentiate your company from the competition, and timely updates on invaluable market data with tremendous business opportunities.

“The Regional Meetings were designed to engage new members and reach deeper and broader into our member base. Because of the success of the 2007 series, we were pleased to add a fifth location, on the west coast,” explained Ralph Nappi, President of NPES. “I’m pleased to report that, again this year,

member participation was strong and exceeded last year’s inaugural series in both individual member and company participation.”

Headlining each event was the popular Printers Panel, a group of local print company executives who shared their candid insights on the marketplace, and the key factors that drive their investment decisions. Sixteen printers who participated in sessions during the five-city series provided great confirmation of the message that featured speaker, Robert Nadeau, shared with NPES members about the “secret”

to standing out from their competition. In his presentation, “Being Different in the Eyes of Your Customers,” supply chain specialist Nadeau explained how being different is all about delivering the right mix of value to customers. During this enlightening session, he defined for attendees the mix of value they are currently delivering to their customers, examined how their customers derive benefit from this value, and shared specific strategies for setting their business apart from the competition — in the eyes of their customers.

The program also included

*continued on page 3*

# president's perspective

## 2008 Through a Global Looking Glass

As many enter 2008 with a fair level of caution, it is important to frame the potential for this year with an objective look back at our recent past. During the past few years the U.S. print industry, which previously seemed to be stagnating, showed a promising resurgence with remarkable double-digit growth in 2006. And, although it would have been difficult to match that pace in 2007, it still managed growth.

The U.S. forecast for 2008 offers a relatively modest picture, as our industry adjusts to the realities of the general economy, such as a slow housing market, a mortgage crisis and high oil prices. Economists generally agree that we can expect growth in the graphic communications industry of between 1.5% and 2.5%, with slightly greater growth in 2009.

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### Global Trends

Graphic communications industries in other nations will enjoy an even better outlook. According to a report on worldwide print markets by the research arm of NPES, PRIMIR (Print Industries Market Information and Research organization), demand for print is predicted to grow rapidly in the emerging economies of Asia (which will experience the greatest absolute growth globally), Latin America (up 43%), Eastern Europe (up 51%), the Middle East (up 52%) and Africa (up 34%). The report also predicts that Asia will become the world's largest print market by 2011, accounting for just more than 30% of global print demand, pushing the U.S. market to second place. In all, the worldwide print market is expected to grow by 18% between 2006 and 2011, to nearly US\$721 billion.

While in the coming years the U.S. printing industry faces different challenges compared to some of our counterparts in other countries, we will all be well-served to keep an eye on certain globally emerging trends.

Everywhere there are countless examples of how print's role has changed. Here in the U.S., our industry is recognizing that print is different than it used to be. Take

the American magazine printing sector, found by PRIMIR research to be the biggest defined segment of commercial printing. Although new magazines will continue to hit the market in coming years, they'll probably look different from the publications Americans are used to seeing. Print readership has been on the decline for some time thanks, in part, to the popularity of the Internet and other electronic devices that compete for consumers' leisure time, and this phenomenon is not confined to the U.S. — electronic media is affecting print demand globally. Online advertising, for example, has reportedly cut into above-the-line and below-the-line advertising markets.

Within the U.S., this means there will be a rise of niche titles that cater to smaller audiences. Thus a "mass market" publication, once defined as a magazine with a circulation of more than one million, may in the future boast a circulation confined to the 250,000 to one million mark. Yesterday's thick glossy magazines, once printed on an offset press, may be replaced tomorrow by selectively bound and versioned publications, printed on a digital press and with a corresponding online component. Such personalization and versioning will also increase elsewhere in the world, due to greater market segmentation and brand requirements for differentiation.

### Changing Revenue Sources

All of these trends underscore the notion that revenue sources, just as print, have changed. Twenty or 30 years ago, prepress capabilities allowed U.S. printers to differentiate themselves from the competition. Now, at least in the American graphic communications market, the focus has changed to the back end. Print buyers seek a provider that can finish a piece and transform it from ink on paper to a communications vehicle. And, of course, they want it done fast!

Globally, sales of postpress equipment is predicted to increase by just 4%



**Ralph Nappi**  
NPES President

from 2006 to 2011 — not so impressive when compared to the explosive market growth we are expecting in other areas of print. That said, if we assume that the younger graphic communications markets in various countries may follow at least somewhat the path of the U.S. graphic communications industry, then printers worldwide should consider the future profit potential of bindery and finishing. Industry vendors are offering faster, more efficient and more powerful equipment than ever before. Bindery and finishing technologies, particularly, boast automation and material-handling features that truly add value to the process, by either shaving minutes off makeready or taking the load off the laborers at the back end.

Eventually, one might also expect that non-print services will figure ever larger in the profile of the international graphic communications industry. In the U.S., non-print services make up an increasingly important revenue stream for the graphic communications provider. These services have, however, evolved from more labor-intensive enterprises to offerings with a distinctly digital flavor. Where once American printers handled kit fulfillment and mailing management for customers, they are now just as likely to be providing digital media storage, developing sophisticated websites, producing DVDs and creating multi-media marketing campaigns. According to our research, digital will continue to play a large role in future non-print endeavors. Of the top five

non-print growth areas for the U.S. in 2010, only two — mailing management and professional creative design — are of an analog nature. The rest are digital, starting with Web and Internet services.

### Planning, Integration

Worldwide, the fastest growing print sector in the coming years will be packaging (including labels and other associated print products) with this segment expected to increase by 20% by 2011. Coming in close behind is the publications market; despite the growing pains being experienced by the American magazine printing sector, this is a hot growth area worldwide forecast to see 18% growth. Advertising and commercial print revenues are expected to rise by 15%, while business and transactional print revenues will reportedly grow by 14%.

As these predicted growth areas show yet again, what's happening in the U.S. graphic communications industry will not necessarily occur in other nations, and vice versa. So perhaps the biggest keys to future success are planning and integration. Study the lessons provided by the more mature graphic communications industries, consider the emerging trends seen internationally, and plan ahead for what we think will work best for our own situations, in our own part of the world.

Consider also integrating those services and mindsets that may not be on the immediate horizon in our own countries. For some, this may mean figuring out how to combine digital services with the more "traditional" offset printing capabilities. For others, this may involve planning for increased postpress emphasis. For still others, the idea of integration could focus solely on integrating the production workflow, folding in new equipment and ideas to the existing process.

One thing is for certain: print is changing, and will continue to change. How will you? ●



Chicago Regional Meeting Printer Panelists, (l to r) Ed Rossini, President, Palmer Printing; Dave Biddenstadt, VP-Sales/Marketing, Platinum Converting; Kevin Huseman, President, Point Imaging; and, Jeff Norby, President, Jet, engaged in lively exchange with attendees about today's changing marketplace.

an up-to-the-minute Market Data and Key Trends Update by NPES Vice President Kip Smythe, plus a special presentation entitled, "Globalization: Opportunity or Threat?" by NPES President Ralph Nappi.

How did attendees rate the event? According to Chicago session attendee, **Bruce Goodwin**, President of Glunz & Jensen, Inc., "Robert Nadeau is one of the best speakers I have heard in a long time. His message applied extremely well to a broad cross-section of our industry."

**Dan Quenzer**, District Sales Manager, Komori West, gave high marks to the Irvine session, specifically noting the featured speaker saying, "I thought Robert Nadeau was right on. It was very enlightening." Quenzer also found the Printers Panel to be an extremely worthwhile part of the program sharing that, "Being a supplier, and also knowing all three speakers, it was fun, and provided much information based on how each of the panelists responded to the questions."

**Ulrik Nygaard**, President and CEO of Baumfolder Corporation, echoed the positive comments about the Dayton session, for being such a tremendous outreach effort that included both quality education and

networking with, "An excellent program to reach key people within member companies, who otherwise do not come to regular NPES meetings."

**Paul Foszcz**, Marketing Manager, MAN Roland Inc., satisfied with both the content and the format of the program in Chicago said, "I found the workshop covered a wide range of issues, from the tactical comments from



A fast-paced blend of industry-customer dialogue, an interactive presentation on competitive new business strategies, plus up-to-the-minute updates on invaluable market data provided something for everyone.

the Printers Panel, to strategic data from the market data program. It provided input on a variety of decisions for graphic communications vendors."

Based on the overall positive feedback and constructive suggestions for additional enhancements to the program, look for a future edition of the NPES Regional Meeting series coming to a location near you. ●



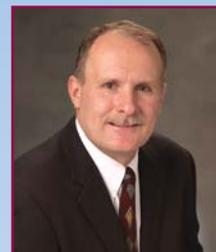
Attendees gained an international perspective on growth markets, India and China, based on the results of a recent PRIMIR study and a timely presentation by Ralph Nappi entitled, "Globalization: Opportunity or Threat?"

“ Robert Nadeau is one of the best speakers I have heard in a long time. His message applied extremely well to a broad cross-section of our industry.”

– Dan Quenzer, District Sales Manager, Komori West

## Being Different In the Eyes of Your Customers

For the members who participated in one of the five NPES Regional Meetings in January and February, and ever wondered how to gain a *real* edge over their competitors, supply chain specialist Robert Nadeau ended their suspense.



Robert Nadeau

The business landscape has changed dramatically for manufacturers and printers alike. Global markets, excess capacity and the ever-increasing amount of information available on the Internet have created a new breed of customer—one who is better informed and more demanding than ever before!

As Nadeau explained, to thrive in this new environment you must find a way to be different in the eyes of your customers, and being different is all about delivering the right mix of value to your customers.

Because most companies are unaware of the mix of value they deliver to their customers, they have no way of knowing if their customers see them as being any different than their competition.

During this informative session, featured speaker Robert Nadeau shared with attendees how to:

- Define the mix of value they are currently delivering to their customers,
- Determine how their customers derive benefit from this value, and
- Identify ways to set their business apart from the competition in the eyes of your customers.

**A**s our graphics communications industry moves forward into 2008, we face more challenges and more opportunities than ever before. Seemingly, all NPES members will be impacted to some degree by a combination of influences that include: changing print buyer needs based on a new media mix, the current U.S. economic climate, the Internet, sustainability issues, and the ongoing effects of globalization. To examine these factors' impact on one NPES member company, Timothy Combs, Sr. Vice President, Sales and Marketing of Fujifilm Graphic Systems U.S.A., shares his business perspective on the present and outlook for the future.

*Economists predict that the print industry will grow between 1.5% and 2.5% in 2008, with slightly greater growth in 2009. Based on today's economy, the trends you are currently seeing, and the feedback you are receiving from your customers, how do these predictions relate to your company's projections?*

February is a tough time of the year to address this question, especially



when evaluating the consumable supply business. December and January are historically poor sales months for the printing industry and this year is certainly no different. We've seen a slowdown in most of the country over the last 45 to 60 days. Equipment has remained strong but supplies are the primary revenue stream for Fujifilm Graphic Systems. Based on recent results, one may tend to look at the coming year a little pessimistically. We do see growth, but not at the level we had projected six or eight months ago.

What we do see is a continued investment on the part of printers in new technology and equipment that will lead them to new revenue streams. Wide format/display graphics is a good example of this. This equipment provides the printer with an opportunity to grow his sales with existing customers as well as find new customers. Profit margins for the printer are still strong which lead to other services such as fulfillment and marketing promotions.

It's likely we will see the economy slow and it will have an impact on the printing industry. However, this business has some very interesting characteristics, or maybe better stated — some very interesting characters! Our customers are survivors. They are independent business people. They know how to weather the storm of a down economy. They find products and services people need and they provide them. So, while we may see some downturn in the larger printers, the midsize core should remain fairly stable.

*Research conducted by Print Industries Market Information and Research organization (PRIMIR) reveals that commercial printers are expected to comprise nearly half of all color digital production press sites by 2011. How has/is this migration from analog to digital impacting your company's mix of products and changing its relationship with customers?*

We've been impacted in a few ways. First, we sell the Xerox line of digital presses, from the entry level 200 series through the iGen. So there is a direct revenue stream from these sales and it grows exponentially for us each year. Second, it has changed the services we provide to our customers. There is a need for color management and print output quality control across multiple technology platforms due to the need to match digital print results with offset results. Our professional services group has stepped into this area and provides the training and tools for these customers to manage their print quality as they adopt new production methods. Third, we have seen a decline in some consumable products such as color proofing as digital print output displaces the older product. However, we have not seen any negative impact on aluminum plate sales as a result of digital press installations. We see customers install digital presses and grow their overall business resulting in more offset printing taking place for the customer along with the digital print growth.

*The success of GRAPH EXPO 2007, and now nearly sold-out status of the upcoming 2008 show, portends the printing industry's continuing resiliency and optimism into the coming year. How have your company's results after last September's GRAPH EXPO, either challenged or confirmed this perception?*

GRAPH EXPO was a good show for us, as it has been for the past few years. Equipment sales were strong for all lines—digital presses, wide format gear and traditional electronic imaging products like CTP devices. I believe the value of the show will remain high for us as customers want to see new technology products firsthand and the show is a great place to accomplish that goal.

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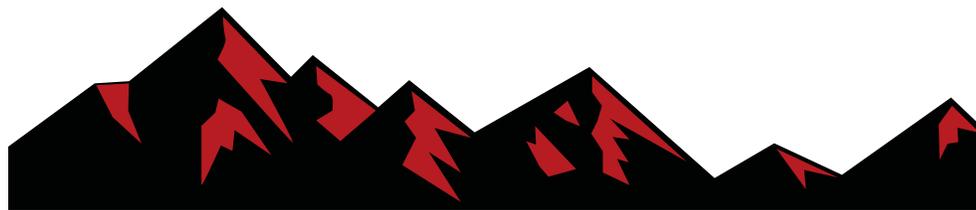
**Timothy Combs**

Based on your growing mix of customers and changing range of new solutions over the last several years, what does the future hold for your company in years ahead?

Fortunately for us, Fujifilm is a leader in developing new imaging technologies, spending more than \$6 million a day in R&D. While not all of this is directly applicable to graphic communications, we see a number of new products on the horizon. Ink jet offers us many different possibilities and we'll exhibit some of those advancements at drupa and again at GRAPH EXPO in October. I see continued growth in professional services, especially as it relates to process control and print quality. Printers need to be more efficient in their businesses and we will continue to develop the tools and provide the necessary support for them to accomplish this task. Lastly, while not as exciting as some of the new digital technologies, printing plates are still a core product for us and our customers who count on the day-to-day consistency of this product for their production. We don't see that need changing dramatically anytime soon.

Looking ahead, what is your (company's) biggest challenge — what keeps you up at night?

Beyond figuring out what profound answer I can give to this question? It's not technology or the challenges of competing in our industry. It's the forces outside our industry and those over which we have little or no control. How will we, the manufacturers and our customers in the graphic communications industry, compete with other forms of media and communication? How will we ensure that future generations find value in print? What can we do to get more ink on paper? At the end of the day, we need people who find value in the printed product and ways to grow that value proposition. In an industry as fragmented as ours, it's tough. ●



# NPES 2008 Industry Summit

PRINT OUTLOOK® • PRIMIR<sup>SM</sup> • NPES®

MARCH 31-APRIL 3, 2008 • NEW YORK

Last year, based on NPES members' positive response to this inaugural program, we are pleased to present the **2008 INDUSTRY SUMMIT**, a three and a half-day mega-event that brings together **PRINT OUTLOOK 08** with three other key sessions: the **PRIMIR Spring Meeting**, **NPES Market Data Committee Meeting** and **NPES Board of Directors Meeting**. The co-location of these events at a single venue enables members to enhance their industry knowledge and maximize their networking opportunities while minimizing their time away from the office.

PRINT OUTLOOK 08, slated for April 1-2, is the ideal educational and networking experience for industry executives and managers with a stake in marketing, sales finance, research, manufacturing and operations. Attendees will benefit from this conference by getting answers they need about the state of the economy, pivotal trends in the marketplace and information on business prospects for the future.



**Bruce Biegel**

Previewing our powerhouse of speakers:

- **Barbara Pellow**, Director, Infotrends on "The Role of Marketing in the Future of Print"
- **Andrew Paparozzi**, NAPL Chief Economist on "The Outlook for Commercial Printing"
- **Ronnie Davis**, PIA/GATF Chief Economist on "The Outlook for Ancillary Non-Print Revenues"
- **Bruce Biegel**, Managing Director, The Winterberry Group on "The Role of Direct Mail in Direct Marketing"
- **Roman Hohol**, Director of Marketing, AMEC on "The Outlook for Newspapers and Magazines"
- A Print Buyer Panel hosted by **Suzanne Morgan**, President, Print Buyers On-Line who will explore "Print's Role in the Modern Media Mix",
- **Gary Jones**, Director, Environmental, Health & Safety Affairs for PIA/GATF, with a special presentation and workshop on "Sustaining Print in a Dynamic Marketplace"
- **Dr. Sung Won Sohn**, President and Chief Executive Officer of Hanmi Financial Corporation, on "The Outlook for the US Economy Pre & Post Election"



**Dr. Sung Won Sohn**

Members can further hone their competitive edge by participating in the PRIMIR Spring Meeting immediately following PRINT OUTLOOK. Each year, PRIMIR conducts several of the industry's most comprehensive research studies on topics of critical strategy concern to manufacturers, suppliers and printers. Be there at the Spring Meeting for an insider's view of the newest PRIMIR studies:

- *Trends in Financial and Transactional Printing*
- *Mega Printers' Impact on the North American Print Market*

**FOR PROGRAM DETAILS AND TO REGISTER NOW VISIT:**  
[www.npes.org/conferences/index.html#summit](http://www.npes.org/conferences/index.html#summit)

# Sheetfed Offset is Still the “Workhorse” of the Printing Industry

In 1976, Harris Corporation was one of the world's largest manufacturers of printing presses. They commissioned a landmark study by McKenzie and Company entitled, “A New Look at Management and Profits in the Printing Industry” in which the following forecast was made: *“The trend away from sheetfed printing to web printing is becoming as significant to medium-size and larger printers today as the shift from letterpress to offset was over the past fifty years. We're now in the middle of what we believe is the second big shift of our time from sheetfed offset to web offset for medium and long runs. This does not however apply at this stage of the game to the great mass of small printers doing commercial work on a service basis in their localities... but just as offset lithography took over little by little from letterpress, and is still doing so, web offset will take over from sheetfed presses little by little for the foreseeable future.”*

There is no doubt that web offset technology became the mainstay for long run printing of magazines, newspapers and some books, but it is also clear that the workhorse of the general commercial printing was and still is the sheetfed offset press.

According to the McKenzie report, the volume of printing done on web-fed presses would approach 70% of all printing by 1980 and this simply has not happened. So here we are some 32 years later and the sheetfed press has endured and grown as the technology of choice for many commercial printers. One might ask...*why?* Clearly, the versatility of the sheetfed press to print on a variety of substrates from onion skin paper to board or even plastic gives printers the flexibility to print many different types of products. With the ever-increasing trend to shorter runs and the keen competition from other printers and other media, the sheetfed press with automation improvements in both make-ready and clean-up enables quick changeovers between jobs. Essentially, three words sum up the sheetfed advantage for general commercial printing: *flexibility, flexibility and flexibility!*

To better understand printers' views on the future of sheetfed lithography, PRIMIR (the Print Industries Market Information and Research organization) commissioned Reed Business Information to conduct a study entitled *“Trends in Sheetfed Lithography: 2006-2011”*.

**SHEETFED OFFSET PRESSES (Lithographic) - U.S. Shipments (\$ Thousands)**



The study addressed a number of objectives in the commercial, packaging and specialty market segments, including characterization and analysis of:

- Capital equipment purchase intent
- Installed equipment base
- Press format preferences
- Press configuration preferences
- Consumables usage and purchasing practices
- The effects of automation
- Interest in inline technologies
- Print buyer perspectives
- Changes driven by environmental and health issues.

A fundamental choice facing all printers is whether to pursue a narrow range of print products using specialized, high-efficiency production equipment, or to use versatile “utility” press formats and configurations that allow a maximum number of output options. Today's primary challenge is to find profits in the use of specialized equipment and ongoing viability in the use of “utility” presses.

Some of the major findings of the study include the following:

## Strong Purchase Intent

Over one quarter of U.S. printers surveyed in this study, among those who are now operating multicolor sheetfed offset presses or planning to purchase, say they plan to be operating even more multicolor sheetfed equipment over the next four years. The primary needs cited for their sheetfed press purchase plans were:

- Increased productivity and competitive benefits
- Replacement of outdated equipment
- Response to customer demands for shorter runs and quicker turnarounds

The strong purchase-intent finding could properly be described as “bullish” and pinpoints a dramatic turnaround in business confidence among printers. The question remains if the softening U.S. economy will temper the bullishness as we go through the study period. Given the steep falloff in equipment sales through 2004, the new revelations should hearten equipment manufacturers and consumables suppliers across the

board, even if only some of the surveyed printers' stated purchase plans materialize. Note, 2006 was the best year for sheetfed press sales since 1999 according to the NPES market data program (see chart) which supports the study findings. Although preliminary 2007 data is down somewhat, it's still a strong year compared to the woeful levels of 2002-03.

## Mainstream Configuration Preferences

Respondents indicate that they plan to stick with familiar format and configuration preferences—i.e., an emphasis on “utility” presses, not special-purpose equipment—for the work they expect to be doing in the next four years. Product support and system compatibility rank high when it comes to purchase decisions.

Prospective buyers expressed an openness to buying pre-owned equipment which is an important finding that could be attributed to the number and recent vintage of used machines on the market or possibly to the aging of the presses they have on hand. Clearly this is a challenge to NPES members marketing new press systems to find the marketing message that will convince printers that the increased efficiency of the new machine offsets the higher price compared to the “almost new”, used machine.

## Aging of Installed Base and Aftermarket Issues

The study also examined the newest and oldest sheetfed presses owned by the responding printer and the results shines light on a long, but now problematic industry tradition. This involves operating primary equipment for many years or keeping auxiliary equipment on hand for occasional but still valuable use.

Another important finding is the number of printers who reported that their “newest” sheetfeds were installed in 1997 or earlier. This percentage exceeded the number of printers reporting they are operating presses installed in each of the last three years.

The tradition of keeping equipment is deep-seated, continuing even during times of lowered price levels for new press equipment, as occurred in recent years. It involves, of course, struggling shops that haven't invested in new primary equipment in many years (for them, buying a five-year-old press constitutes “keeping up” with technology). But, the tradition is also practiced by so-called “progressive” printers that have a pressroom full of gleaming equipment but keep a machine under a tarp for special but occasional applications.

Clearly this is an opportunity for NPES members to again get the message across that new machinery is not only more efficient from a production standpoint but also brings great savings in operational efficiency.

The McKinzie report saw the tremendous efficiency of the web press and miscalculated the response by the sheetfed press manufacturers to build on their strengths. Time has shown that there is a place for both technologies in the printer's arsenal and this study shows that the sheetfed press will be around for the foreseeable future. ●

# NPES Marks 75<sup>th</sup> Year of Service to the Industry in 2008

This year, NPES The Association for Suppliers of Printing, Publishing and Converting Technologies celebrates 75 years of service to member manufacturers, importers and distributors who provide the equipment, supplies, systems and software used in every printing, publishing and converting process from design to distribution. Throughout 2008, in every issue of *NPES News* look for one of the featured highlights from our association's distinguished 75-year history.



## In the Beginning

In March, 1933, the Federal Reserve Board had just reported that a quarter billion dollars in gold had been taken out of the nation's monetary system in a week. The national income had been cut in half since 1929 and more than five thousand banks had failed, destroying nine million savings accounts. During that time, *Iron Age* magazine reported the nation's steel plants were operating at just 12 percent of capacity and 13 million people were unemployed.

The spring of 1933 also marked the beginning of Franklin D. Roosevelt's administration, and the birth year of the modern American industrial trade association, along with such other institutions, as guaranteed collective bargaining and the 40-hour work week. That same year, NPES was originally founded as the National Printing Equipment Association (NPEA). Its 26

charter members included manufacturers of printing presses, bindery equipment, typesetting machinery and specialty equipment. Today, virtually all industry products and processes are represented by the more than 400 NPES member companies, which range in size from under \$1 million in annual sales revenue to more than \$1 billion. ●



## NPEA'S (NPES') 26 ORIGINAL CHARTER MEMBERS

1. American Type Founders Company
2. Babcock Printing Press Manufacturing Company
3. Russell E. Baum
4. Boston Wire Stitcher Company
5. Brandtjen & Kluge
6. The Challenge Machinery Company
7. The Chandler & Price Company
8. C.B. Cottrell & Sons Company
9. Claybourn Corporation
10. Dexter Folder Company
11. Harris Seybold Potter Company
12. Intertype Corporation
13. Lanston Monotype Machine Company
14. Ludlow Typograph
15. Mergenthaler Linotype Company
16. Miehle Printing Press & Manufacturing Company
17. Miller Printing Machinery Company
18. New Era Manufacturing Company
19. The Ostrander Seymour Company
20. The Printing Machinery Company
21. F. P. Rosback Company
22. T.W. & C. B. Sheridan Company
23. The Smyth Manufacturing Company
24. U.P.M-Kidder Press Company, Inc.
25. Webendorfer-Wills Company
26. F. Wesel Manufacturing Company

# news and notes

## NPES CALENDAR

### February 2008

#### NPES Regional Meeting

February 1 • Quincy, Massachusetts

#### ICC Meetings

February 18-20 • Munich, Germany

#### ICC/fogra Symposium

February 21 • Munich, Germany

### March 2008

#### TC130 Working Group 5

March 3-7 • Phoenix, Arizona

#### Joint CGATS SC3, CGATS SC4, USTAG TC 130 WG3/WF4

March 26-28 • Mesa, Arizona

#### NPES Government Affairs Committee Meeting

March 13 • Washington, D.C.

#### NPES Industry Summit

March 31-April 3 • New York, New York

#### NPES Industry Summit

#### Market Data Meeting

March 31 • New York, New York

### April 2008

#### NPES Industry Summit

#### PRINT OUTLOOK 08

April 1-2 • New York, New York

#### NPES Industry Summit

#### PRIMIR Spring Meeting

April 2-3 • New York, New York

#### ISO TC 130 Working Groups 1-4

April 14-19 • Paris, France

### June 2008

#### ICC Meetings

June 24-27 • Tokyo, Japan

### July 2008

#### Joint CGATS SC3, CGATS SC4, USTAG TC 130 WG3/WF4

July 14-16 • Minneapolis, Minnesota

#### ICC Meetings

July 24-27 • Tokyo, Japan

### September 2008

#### TC130 Working Groups and Plenary

September 22-27 • The Netherlands

### October 2008

#### GRAPH EXPO®

October 26-29 • Chicago, Illinois

### November 2008

#### ICC Meetings

November 6-8 • Portland, Oregon

#### ICC DevCon '08

November 10 • Portland, Oregon

## ECONOMIC STIMULUS PACKAGE INCLUDES ENHANCED EXPENSING AND BONUS DEPRECIATION

Enhanced IRC Section 179 expensing and 50 percent bonus depreciation on capital investments are the business provisions of the economic stimulus package, **H.R. 5140, Economic Stimulus Act of 2008**, passed by Congress February 7 and sent to the White House for President Bush's signature the week of February 11. They give companies 50 percent bonus depreciation on investment in new equipment purchased after December 31, 2007 and installed before January 1, 2009. In addition, they also double the limit on capital investment in 2008 that can be expensed, raising it to \$250,000 from \$125,000, with a total cap of \$800,000. The Senate had considered also including an extension of the time that net operating losses could be carried back and credited against earnings of earlier years, but that provision was dropped in favor of a quicker resolution of the debate by accepting the provision passed by the House in January.

The "placed-in-service" date for qualifying equipment purchases is critical to the effectiveness of bonus depreciation. Large capital equipment systems typically require more lead time for engineering and installation than is necessary for smaller acquisitions. Unfortunately, the enhanced expensing and bonus depreciation in the legislation will only be available for equipment purchased in calendar year 2008. While this relatively short placed-in-service window is somewhat limiting, under the new incentives of the stimulus package, printing

equipment manufacturers and their customers can still benefit more than they otherwise would have from capital investments made this year.

Enhanced Section 179 expensing and 50 percent bonus depreciation, which were part of the **Jobs and Growth Tax Relief Reconciliation Act of 2003**, proved very effective for stimulating capital investment when employed earlier in the decade, and are measures that are strongly supported by NPES, not only as a short term economic stimulus, but also as permanent tax policy that recognizes the true cost of capital.

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## INTERNATIONAL SAFETY STANDARDS UPDATE

Two new international safety standards relating printing machinery are under development in ISO Technical Committee 130, Working Group 5. Both standards are at the working draft stage, but are expected to be submitted for their first round of balloting May 2008. Both standards supplement ISO 12643-1:2007, which contains general safety requirements for all graphic technology equipment.

**ISO/WD 12643-4, Graphic technology — Safety requirements for graphic technology equipment and systems — Part 4: Converting equipment and systems**, provides safety requirements for the design and construction of converting equipment used in the package printing, converting and graphic technology industries.

**ISO/WD 12643-4, Graphic technology — Safety requirements for graphic technology**

**equipment and systems — Part 5: Stand-alone platen presses**, provides requirements for the design and construction of new hand-fed or automatic stand-alone platen press systems intended for diecutting, creasing, embossing, foil stamping and/or printing of paper, board and other materials processed in a similar manner.

NPES serves as the Secretariat of ISO TC 130 WG 5, as well as the Secretariat of the U.S. Technical Advisory Group to ISO TC 130. If equipment you manufacture or use is affected by these standards, you are encouraged to review the current drafts available online from NPES Standards Workroom at: <http://www.npes.org/standards/isoworking.html>, and forward your comments to Mary Abbott, NPES Director of Standards Programs, at e-mail: [mabbott@npes.org](mailto:mabbott@npes.org) by March 22. Comments received will be discussed at the ISO committee's March 3-7 meeting. ●

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