



# news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

## Content-Rich Annual Conference on 'Navigating the Winds of Change'

**N**PES members attending the 2007 Annual Conference in San Diego, California earlier this month, in the immediate aftermath of the devastating wildfires that ravaged the region, were treated to a business-intensive agenda that featured more content, more speakers and a greater variety of topics than previous events. They were also part of an annual meeting that set a record for the greatest number of first time attendees and highest registration since 2000.

With guidance from the association's Programs and Meetings



NPES' 2007 Annual Conference attendees were treated to a business-intensive agenda that featured more content, more speakers and a greater variety of topics than previous events.

### INSIDE:

President's Perspective .....	2
The World of Print is Flat Too! Part Six, India .....	4
NPES 2007 Annual Conference Photo Wrap .....	5
Economic Outlook: 2008 and Beyond .....	6
NPES Regional Meetings - on the Road Again! .....	6
Expensing Made Permanent in Largest Individual Income Tax Increase in History .....	7
Senate Balks as House Passes One- Year AMT "Patch" .....	7
News and Notes .....	8

Committee – **Hank Brandtjen, D. J. Burgess, Gerald Clark, Michael Fox, Steve Fullerton, Bruce Goodwin, Pat Janssen, Jack Makowski, Elinor Midlik, Ulrik Nygaard, Don Ohlig,** and **John Stewart** – the conference program was designed to engage members in lively dialogue with an array of business and industry leaders who were specifically selected to help attendees navigate a course toward new

business models of print.

The program was enhanced by outstanding representation from the printing company community with an interactive printer panel discussion featuring three executives assembled and moderated by PIA/GATF's **Michael Makin**. The ensuing dialogue between printers and members of the manufacturing community was considered by many attendees to be among the highlights of the conference.

On Saturday, November 3rd, to officially welcome the record 27 first timers who were participating 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 evening, the affable buzz of networking among old friends and new was interrupted only by the evening's entertainment, which featured the comedic

*continued on page 2*

# president's perspective

## Life and the Meaning of "Mojo"

An interesting thing happened to me earlier this month while preparing to host the NPES Annual Meeting...*life* got in the way! Life...in that unique and unexpected way, like a curveball heading directly at you just when everything is going great.

After a successful GRAPH EXPO, and with exceptionally high pre-registrations for the Annual Conference, the wildfires of Southern California came barreling through. In life's grand scheme, NPES' problem of a meeting scheduled in the fire-ravaged Rancho Bernardo, California pales in comparison to what those poor people had to deal with. The Witch Creek fires alone claimed 1,275 homes, 499 buildings and 299 vehicles. Just under 200,000 acres of land all around the Rancho Bernardo Inn were destroyed. So, while our dilemma was quickly put into perspective, we still needed to make a decision about the fate of the NPES Annual Conference.

Amazing things happen when unfortunate things occur. While it would have been understandable, and actually expected, for members to cancel their plans to attend this meeting, just the opposite occurred! Members showed up in record numbers! We had more first time attendees than *ever* before and the highest number of members registered in recent memory. Coincidentally, just as members were checking into the Rancho Bernardo Inn, 50 firefighters and many evacuees were leaving. The show did go on and despite the less than ideal resort conditions, more than 100 of your colleagues allowed the Rancho Bernardo Inn and its staff to begin their recovery and the healing process by getting back to business.

As for the meeting itself, you will be able to read a good summary and see a number of photos from the event in this issue. But let me share with you some highlights of observations that our keynote speaker, Bo Burlingham, made in his presentation titled



**Ralph Nappi**  
NPES President

after his book, *Small Giants: Companies that Choose to be Great Instead of Big*. He identified five specific characteristics that great companies share in common: 1) the owners and leaders know *who* they are, *what* they want out of their business, and *why*; 2) the companies are firmly rooted in communities in which they do business; 3) the companies cultivate close personal ties with their customers and suppliers; 4) customers come second, their employees come first; and, 5) the owners and leaders are *in love* with what their companies do. Bo noted that the companies which are able to maintain these unique characteristics have what he calls "the business equivalent of mojo." So, as Bo revealed, it is less about *size* and *growth* than it is about doing what they do for all the *right reasons* and being the *best* at what they do.

Clearly, NPES has a foundation for forming its own mojo, based on the commitment of so many of its members and industry colleagues. These folks demonstrated their willingness to participate in a meeting that certainly could have gone in the other direction.

Many thanks to all of the members who 'stepped up to the plate' by attending the meeting. Thanks also to Tom Saggiomo, who completed his two-year term as chairman and whose leadership has, and will continue to positively impact the Association's evolutionary future. ●

ANNUAL CONFERENCE continued from page 1

talents of Mark Mayfield. Ending the evening on a high note, Mayfield drew gales of laughter from the room by melding together his corporate background as a lobbyist, and experience as a nightclub performer, to present a variety of business and personal management principles with a truly hilarious twist.

Kicking off the proceedings on Sunday, November 4th, noted author and editor-at-large for *Inc.* magazine **Mr. Bo Burlingham** delivered the keynote address titled after his book, *Small Giants: Companies That Choose to Be Great Instead of Big*. Using as examples some of today's most widely recognized and successful companies, he illustrated how each one had decided to pass up the growth treadmill to focus instead on greatness and, in the process, discovered the magic ingredients that gave them their unique "mojo". Burlingham demonstrated how for these companies financial success was no longer the primary goal – but was instead the outcome of their passion for having great products and services.

Immediately following the keynote presentation, Conference Chairman **Pat Janssen** introduced Agfa Graphics President **Tom Saggiomo** to deliver his NPES Chairman's Address. Saggiomo shared that when his journey began two years ago he had several goals in mind; among the top two were facilitating the orderly transition of leadership for NPES and "leaving the ship on a stronger course". Saggiomo shared that since Ralph Nappi assumed the helm as NPES' President, they have worked together with the Board to forge a new path for the association based on four key principles: *content, transparency, partnership and change*. He shared an optimistic view for the future of NPES based upon a renewed emphasis on member engagement and content, which has already enabled our membership to increase by 20% in just the past two years. In his closing remarks, Saggiomo noted that while change never comes easy or without challenges, the caveat for NPES members is "to stay close to our markets and continue to have the courage to change."

Following one of the timely networking breaks interspersed throughout the program, **Dr. Sean Smyth**, technical director, author and industry consultant, took the podium to present the findings from his original research undertaken by Pira International for PRIMIR, "The World Wide Market for Print", which evaluates future prospects for the global printing industry and implications for their suppliers, NPES members. In detailing the research results, which evaluated print from a variety of vantage points including: country,

continued on page 3

product and process markets, machinery, inks, consumables and paper usage, Smyth noted that massive new opportunities are available to NPES members and pinpointed the key high-growth markets that demand new equipment and consumables.

Following lunch, **PIA/GATF** President Michael Makin introduced a panel of three printing company executives: Mike Marcian of **Corporate Press**, Jim Mayes of **Colorcraft of Virginia**, and Chuck Stay of **Bert-Co Industries**. The ensuing conversation over the next hour and a half was multi-faceted and engaging as, after introductory remarks, each shared a brief history and overview of their organization, profiled their key markets, described how their needs have and continue to evolve, and how their companies have worked to stay close to their customers.

Sunday's education program concluded with an engaging and interactive session by **Ya-Ping Zhou**, Director, NPES Greater China Project, on the "Major Economic Indexes of the Chinese Printing Machinery Industry". Beyond examining highlights of the recently completed market study conducted by the NPES China office, Zhou shared his insights into the changing landscape of China's political, socio-economic and business market place that will impact how NPES members enter or expand their businesses in China today. He also shared what time and money-saving advantages members will gain by taking full advantage of the NPES China 2007 Service Benefits Package, which is customized and delivered on-demand.

Capping off a full day of education was the much anticipated Reception and Awards Dinner on Sunday evening. Featuring presentations of the association's Harold W. Gegenheimer Awards for Industry Service, the program included special recognition for the dedicated involvement of outgoing NPES Board members: **D. J. Burgess** of Burgess Industries, Inc., **Ina Schlechte** of Prime UV Systems Inc., and **David R. Reny** of Standard Finishing Systems. This year's Gegenheimer Corporate Service Award winner, Standard Finishing Systems, was recognized for the many contributions the company and its leaders have made to NPES and to the industry. Accepting the award for the company were **David R. Reny** and **Steven Reny**, who pledged to continue their active support of the industry via their

staff's continued involvement in NPES. Next, **Elinor Midlik** of Prime UV Systems Inc. was called to the podium to receive the Gegenheimer Individual Service Award for her longstanding and passionate support of, and numerous contributions to the industry and NPES. Lastly, incoming NPES Chairman **Hank Brandtjen** of Brandtjen & Kluge, Inc. summoned outgoing NPES Chairman Tom Saggiomo to the podium to enable attendees to recognize his dedication and service to the association during the past two years.

On Monday morning, the NPES Business Session convened to provide members with an executive summary of current activities and to elect the association's leadership for the coming year. Elected as NPES Chairman was **Hank Brandtjen**, President, Brandtjen & Kluge, Inc. Four new directors were also elected: **Vincent Lapinski**, CEO, MAN

studies, and details about the Graphic Arts Show Company's new method for assigning booth space for PRINT and GRAPH EXPO, NPES President **Ralph Nappi** provided a '30,000 ft. overview' of the association's progress in developing a strategic plan designed to double NPES member engagement by the year 2011.

Next, featured presenter **Tom Davidson**, Project Director for Tribute Interactive, captured attendees' attention with his insightful examination of the key factors that have dramatically and forever changed the face of traditional media – and print. Based on today's consumers, who expect to get *what, when, where* and *how* they want it, Davidson examined key outcomes of the current digital shift and revealed how NPES member companies can spot and exploit the opportunities that it creates.

Following another one of the invaluable networking breaks, which members widely recognize as a key benefit of attending the

**“We totally and thoroughly enjoyed the NPES annual meeting. The networking opportunities alone would have justified it, but the chance to get useful content during the course of the stay was even better.”**

**– Stephen Metcalf, President, Air Motion Systems, Inc.**

Roland Inc.; **Stephen Metcalf**, President, Air Motion Systems; **Karl Puehringer**, CEO, Baldwin Technology Company, Inc.; and, **Steven Reny**, President, Standard Finishing Systems. Re-elected as well were: **Ulrik Nygaard**, President and CEO, Baumfolder Corporation; **Bruce Goodwin**, President, Glunz & Jensen, Inc.; **Jochen Meissner**, Executive VP and COO, Goss International Corporation; **John St. John**, President, Systems Technology, Inc.; and, **James Martin**, Senior Vice President, Marketing, Heidelberg USA.

In addition to key staff reports on NPES' government relations efforts, updates on current market place data, news about current and future PRIMIR

conference, was **Alan Beaulieu**, Senior Analyst for the Institute for Trend Research. In his illuminating economic report, he previewed for attendees what to anticipate from the economy here at home and in the global arena, both now as well as into the foreseeable future. Beaulieu wrapped up the day's program by responding to members' specific questions about strategies for organizational success in today's changing economy.

Since the conference's conclusion, attendees have provided thoughtful and enthusiastic feedback via their program evaluations and e-mails, which bodes well for the next NPES Annual Conference to be held November 15-17, 2008 at the Don CeSar Beach Resort in St. Pete Beach, Florida. ●

# The World of Print is Flat Too!

## Part Six

### COUNTRY OF THE MONTH: INDIA

Last month we visited the sixth fastest growing market in the world—Malaysia. This month we're going to take a relatively short flight west to the world's fastest growing market with a projected 73% rate of growth from 2006-2011, namely India. Not only is India growing extremely fast but it's doing so from a very large base. Today, India's printing market is about \$12.1 billion and is forecast to grow to \$20.9 billion by 2011. India is already the 12th largest print market in the world but it will grow to be the 8th largest printing market by 2011. So what's causing this rapid growth? First and most obvious is population growth. The population of India is currently about 85% of that in China, making India the second most populous nation in the world. The population is still growing quite rapidly in India, however, and by 2050 India is set to

become the most populous country in the world.

Within India, demography has a very important effect on patterns of consumption and will continue to do so over the next five years. The emergence of a new middle class has been apparent for some time now, but this demographic group will reinforce its position over the next few years and is likely to see its already significant purchasing power increase. On the other hand, the broader population remains very poor and will see only a small improvement in its circumstances by 2011. Literacy levels have shown a steady increase since 1990 and are now just over 60%. If this progress is maintained, by 2011 literacy levels in excess of 65% could be achieved, giving a significant boost to traditional publication markets. However, this would still be very low by world standards. Despite this, when you factor in a 65% literacy rate on a population of 1.2 billion, that's about 780 million people who can read!

While the population in India is fast approaching that of China, this is not the case with the economy, which is currently only about one-third the size of that of China, making per capita GDP quite significantly smaller in India. The economy in India is forecast to grow quite fast by western standards, with the GDP rising by around 6-7% per annum. The disparity in personal disposable income between China and India will grow in size over the next five years.

At the same time, India will continue to develop its growing resource of highly-educated and skilled workers who are making a real impact in areas such as information technology, direct marketing and similar areas. India is already a major center

for outsourced business in financial services and other fields, including print production and most notably prepress services for printing.

The media scene in India is heavily print-based, and although full data is not available, the indications are that print accounts for the major share of above-the-line advertising, while below-the-line advertising is

### ABOUT INDIA

#### DEMOGRAPHIC TRENDS

India has an estimated population of 1.1 billion in 2005. Though it occupies only 2.4% world area, India supports over 15% of the world's population. It is expected to touch 1.2 billion in 2015, 1.4 billion in 2025, 1.5 billion in 2040 and 1.6 billion in 2060. In 2005, the median age was 24.3 years, expected to rise to 38.7 years by 2050.

Over 72% of the population lives in rural areas, but growth in the urban population is high owing to migration of labor. India's literacy rate was 65.4% according to the 2001 census and is estimated to have crossed 70% now. There is an urban-rural divide with the former having a literacy rate of 80% and the latter still at 59%, while male literacy stands at 76% compared to female literacy at 54%.

India has an estimated workforce of 500 million. Around 63% are employed in agriculture and related industries, 22% in industry and commerce, 11% in services and government and 4% in transport and communications.

significantly smaller, and less well-developed than in many countries, even in developing regions. Internet penetration is already higher than in China, but whether this will continue to be the case by 2011 is debatable. Access to the Internet outside of the business sector will be heavily influenced by available disposable income, which is not expected to grow very fast. There is also the physical problem of ensuring the availability of electronic media in a country where so much of the population is poor and located in rural areas.

Printing for western customers will help fuel some of the print demand, but this will be much less significant overall than in China, for instance. On the other hand, we expect India's role as a supplier of prepress services to the developed regions to continue to grow in importance.

Within the graphic print marketplace, better than average growth is forecast for advertising applications such as direct mail (up 191.4% by 2011), inserts (up 97.7% by 2011) and also for the magazine market (up 96.8% by 2011). Most of the printed packaging applications will grow at rates just above the overall average, but demand for flexible packaging is forecast to grow well ahead of this at 116.4% between 2006 and 2011.

If you're not exporting to India, this is a market too large to ignore with much potential for the products made by NPES members. ●

### India - Key Statistics, 2006-11

Literacy rate: 80.7% (1990); 88.7% (2003)

	2006	2011	% Change 2006-11
Population (mn)	1,119	1,200	7.2
GDP (US\$bn)	\$850	\$1,422	67.3
Print mkt (US\$m)	12,131	20,991	73.0
- Print mkt per capita (US\$)	10.84	17.49	61.3
Print machinery (\$mn)	521	628	20.4
Inks (US\$m)	356	631	77.1
Substrates (\$mn)	4,069	6,967	71.2
Consumables (US\$m)	154	262	69.9
Total (US\$m)	\$17,231	\$29,479	71.1

Source: PRIMIR "World Wide Market for Print" study by Pira International, 2007

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# NPES 2007 Annual Conference



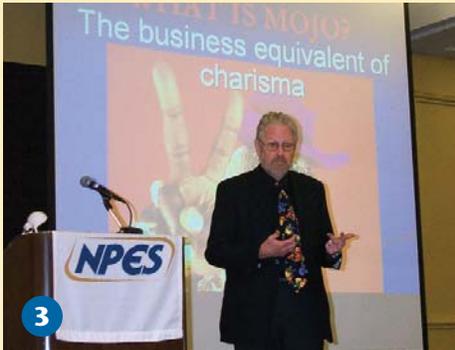
**1** Trevor Haworth of CGS Publishing Technologies International (left) and D. J. Burgess of Burgess Industries, Inc. (right) actively participate in one of the many networking opportunities provided throughout the conference.



**2** Tim Combs of Fujifilm Graphic Systems U.S.A. (left) gets better acquainted with conference first timer Claude Delgado of Hurst Graphics (right), during another of the invaluable networking breaks, which members widely recognize as a key benefit of attending the conference.



**3** Bo Burlingham illustrates how some of today's most widely recognized companies discovered their unique "mojo" by focusing on their passion for delivering great products and services.



**4** Tom Davidson reveals how NPES member companies can spot and exploit the opportunities that the new digital shift has created.



**5** For first timers Trevor (left) and Maureen Haworth (center) and Heath Luetkens (right) of CGS Publishing Technologies International, capping off a full day of education on Sunday was the much anticipated Reception and Awards Dinner.



**6** Flanked by NPES Chairman Tom Saggiomo (left) and NPES President Ralph Nappi (right), Elinor Midlik of Prime UV Systems Inc. (center) receives the Gegenheimer Individual Service Award for her longstanding and passionate support of the industry. David R. Reny and Steven Reny received the Gegenheimer Corporate Service Award on behalf of Standard Finishing Systems for the company's leadership and many contributions to NPES and the industry.



**7** Mark Mayfield tickled attendees' funny bones by blending his background as a lobbyist and experience as a nightclub performer to present a variety of common business and personal management principles – with a truly hilarious twist.

**8** For members, such as Graphic Arts Monthly Editor-in-Chief Bill Esler (center), the Q & A time following each presentation provided opportunities for greater insight and group interaction.

# Economic Outlook: 2008 and Beyond



Alan Beaulieu

Everyday, NPES members must make decisions designed to enhance their profit and market position. However, these decisions are best made when formulated based upon thorough, accurate and understandable economic forecasts. At the recent NPES 2007 Annual Conference in San Diego, California, attendees gained a first-hand preview of what the future holds from presenter Alan Beaulieu, Senior Analyst for the Institute for Trend Research (ITR). Mr. Beaulieu discussed specific management objectives suited for the next few years and reviewed leading indicators that NPES members will be using for years to come. He specifically considered interest rates, demographics, the changing political landscape, and took a look at China, India and Europe in terms of growth potential and partnerships with the U.S. The following are highlights from his presentation.

“Our general outlook, as measured by the U.S. Industrial Production Index, calls for a growth rate of 2.0% above 2006. For the record, we adjusted our expectations for 2007 long before Dr. Bernanke’s pronouncements; and, 2008 is expected to come in 2.3% ahead of 2007, as measured by U.S. Industrial Production. Key leading indicator trends, such as the U.S. Leading Indicator, Purchasing Managers Index, Corporate Bond Prices and EcoTrends Leading Indicator are pointing toward a short but mild recovery after March 2008.

Currently we are in a phase of slower growth, but should soon see a brief transition into a faster rate of growth – but do not become complacent, as the improvement will be short lived. This is a time to improve efficiencies and to use your cash to expand into new markets. Decision-makers should also maintain inventories and production capacities and work for market share gains. Be careful with any expansion plans as a recession is looming for 2009.

The housing market and the related credit crunch have certainly been

generating a lot of attention over the last few months. The extent of these problems through the near term is largely a function of who you are and where you are. Folks who are tied into an ARM that is set to reset in 2008 will find themselves with less cash to spend in other areas each month. The decline in homeowner’s equity is also a painful reality that will slow down some consumer activity. Thankfully, the American consumer only spent about \$0.07 out of every dollar in equity in their home, thus helping to mitigate the problem and keeping panic at bay.

The flip side to the housing industry pain is that it represents buying opportunities for folks with cash and good credit. Prices are moving lower in many markets, which means buying opportunities ahead. Don’t forget that these same markets will see price rise a few years from now. Look for areas with solid demographics. Multi-family properties and REITs may be more to your liking: as people leave their single family home they will need to get into a rental unit somewhere else. That means about two million more renters heading into that market over the next year or so.

Energy prices have been getting a lot of attention lately, and justifiably so. We are projecting that oil prices will stay sticky at about current levels through the near term. A look into 2008 shows increased demand from China and India as well as from the U.S. Readers should budget for higher energy costs at home and for the business.”

*Alan Beaulieu, senior analyst, economist and principal has been with the Institute for Trend Research (ITR) since 1990, consulting and advising companies throughout the US, Europe, and Japan on how to plan for and prosper through the business cycle. For more information contact him at: [www.ecotrends.org](http://www.ecotrends.org). ●*

SAVE THE DATES!



## NPES REGIONAL MEETINGS – ON THE ROAD AGAIN!

Based on the positive feedback from the **104 NPES members** from **68 companies** who attended a session in last year’s series – and the **100% of them who said they would recommend this program to others** – the NPES Regional Meetings are back, and with a busload of new information coming your way!

These one-day, content-rich interactive sessions offer an unmatched opportunity for you and your team to join in focused industry-customer dialogue, obtain the most current market data, and participate in an outstanding local networking opportunity.

Each session will be highlighted by a 90-minute Printers Panel featuring company executives headquartered in each local area. “NPES members are extremely interested in issues around the relationship between customers and suppliers,” says NPES President Ralph Nappi. “Panels like these have proven to be extremely popular at our conferences, because they foster a great deal of productive dialogue between print company executives and leaders from the vendor community.”

Rounding out the agenda will be updates on the latest Market Data findings from NPES and PRIMIR, plus a presentation on “Globalization: Opportunity or Threat”.

Sessions include a continental breakfast, full luncheon and run from 8:30 a.m. to 2:30 p.m. in the following regions:

- **January 23**  
Marriott Teaneck at Glenpointe, **Teaneck, NJ**
- **January 25**  
Crowne Plaza Dayton, **Dayton, OH**
- **January 28**  
Hilton Irvine/Orange County Airport, **Irvine, CA**
- **January 30**  
Chicago Marriott O’Hare, **Chicago, IL**
- **February 1**  
Marriott Boston Quincy, **Quincy, MA**

For more information on meeting venues, or to download a registration form, visit: [www.npes.org](http://www.npes.org).  
Watch your mail for complete details!

# Expensing Made Permanent in Largest Individual Income Tax Increase in History

The good news is that House Ways and Means Committee Chairman Charlie Rangel's "Mother of All Tax Hikes" legislation, HR 3970, the *Tax Reduction and Reform Act of 2007*, would permanently extend the enhanced small business expensing rules available under current law (Internal Revenue Code, Section 179), which allow for the expensing of \$125,000 (indexed for inflation), with a phase-out threshold of \$500,000 (also indexed for inflation), as well as reduce the top corporate tax rate from 35% to 30.5%, and extend the Research & Development Tax Credit for one year. The bad news is that Chairman Rangel's bill would pay for these improvements by imposing a number of other revenue raisers on businesses, including repeal of the Domestic Production Activities Deduction, the last-in, first-out (LIFO) accounting method, and termination of special rules for domestic international sales corporations.

On the personal side, the bill would repeal the Alternative Minimum Tax (AMT) on individuals for taxable years beginning after 2007, at an estimated cost of \$795 billion over ten years. To pay for this, the legislation would limit the benefit of repealing the individual AMT for taxpayers earning

above a minimum of \$150,000 (\$200,000 for couples), who would pay a replacement surtax of 4% on income in excess of the specified amounts, and 4.6% on income in excess of \$250,000 (\$500,000 in the case of a joint return).

Additionally, this surtax would be on Adjusted Gross Income, not Taxable Income, which means that it would seriously erode the value of a series of tax deductions, including mortgage interest, charitable contributions, state

and local taxes, medical expenses and the standard deduction, along with a huge marriage penalty. High income individuals would also be subject to an overall limitation on itemized deductions and a phase out of deductions for personal exemptions.

The Tax Relief Coalition, of which NPES is a member, estimates that this would be the largest individual income tax increase in history, which would directly affect approximately ten million taxpayers – including small business owners that report as individuals. Even worse would be the ripple effect that this massive tax hike would impose on the economic engine that drives domestic job growth and the overall economy.

Chairman Rangel has indicated that he sees his tax reform bill as a long-term effort, and so does NPES. In that regard, NPES will closely follow the development of this legislation in the interest of strengthening U.S. manufacturers' ability to make capital investments and improve their global competitiveness, while preventing serious damage of U.S. economic vitality.

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

# Senate Balks as House Passes One-Year AMT "Patch": Extends R&D Tax Credit

On November 9, the U.S. House of Representatives passed HR 3996, a bill that would prevent the Alternative Minimum Tax, or AMT, from applying to 21 million more taxpayers as they file their 2007 federal income taxes. The bill would also extend a number of expiring tax provisions, including the Research and Development Tax Credit supported by NPES.

Originally enacted in 1969, the AMT was intended to insure that the wealthiest Americans did not escape paying some income tax. But, since the taxable income threshold for triggering the tax has never been adjusted for inflation, the AMT now impacts a growing number of affluent but not wealthy middle income taxpayers, which in 2006 numbered about four million. However, without a change in the AMT formula that number will dramatically increase to 25 million in 2007.

Although there was almost universal agreement among Republicans and Democrats that an AMT "patch" was urgently needed for the 2007 tax year filings, there was almost as sharp disagreement on how to accommodate the \$52.9 billion revenue loss resulting from lessening the reach of the AMT. Democrats supported offset provisions that would increase taxes on private equity firm managers, venture capitalists, hedge fund managers and certain real estate investors, as well as delaying a tax cut for multinational corporations. Republicans would prefer to offset the revenue loss with spending cuts.

The following week Senate Democrats' attempt to advance their version of an AMT "patch" and extension of expiring tax provisions was blocked by the chamber's Republicans who wanted to use the opportunity to extend Bush tax cuts, especially lower rates on capital gains and dividends. The Senate Democrat AMT "patch" differed from the House legislation in that it did not require revenue offsets that were insisted upon by House Democrats under pay-as-you-go rules, thereby setting up a debate between congressional Democrats. The Treasury Department has warned that if Congress delays action until December, which is now likely, millions of 2007 tax refunds could be delayed.

A permanent repeal of the AMT is part of House Ways & Means Committee Chairman Charlie Rangel's tax code overhaul package, but that is a much more long-term debate. ●

“Even worse would be the ripple effect that this massive tax hike would impose on the economic engine that drives domestic job growth and the overall economy.”

# news and notes

## NPES CALENDAR

### December 2007

#### PRIMIR<sup>SM</sup> Winter Meeting

December 3-5 • Norfolk, Virginia

### January 2008

#### NPES Regional Meeting

January 23 • Teaneck, New Jersey

#### NPES Regional Meeting

January 25 • Dayton, Ohio

#### NPES Regional Meeting

January 28 • Irvine, California

#### NPES Regional Meeting

January 30 • Chicago, Illinois

### 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 Industry Summit

March 31-April 3 • New York, New York

#### NPES Industry Summit

#### NPES Executive Committee Meeting

March 31 • 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

## HURLEY'S TRADEWISE DO TELL INTEL

The **United States is actively opening markets for growth, trail-blazing a New Global Silk Road**, through negotiations of free trade agreements (FTA) in Latin America, Asia, the Middle East and Africa. U.S. exports to its FTA partners are growing twice as fast as its exports to the rest of the world. FTA current and prospective partners account for only 14% of world GDP but represent 52% of all U.S. exports.

**Since 2001 the United States has secured new free trade agreements with 12 countries**, concluded negotiations with Oman, Peru and Colombia, and initiated negotiations with 11 more. Taken together, these 26 countries would constitute America's second largest export market with **\$131 billion in U.S. exports and the world's third largest economy**.

These agreements collectively will bring significant benefits to the American economy and the economies of its FTA partners. **Free trade agreements** provide new market access by **reducing or eliminating tariffs** and non-tariff barriers, requiring **important reforms** for an improved business environment, strengthening protection of **intellectual property rights** and improving **faster flow of goods** through customs.

NPES advances the interests of the graphic communications industry in trail-blazing a

New Global Silk Road by opening world print media markets for growth by working in coalition with the U.S. Trade Representative, Commerce Department, U.S. Chamber of Commerce, the National Association of Manufacturers and like-minded industry trade associations worldwide.

Accompanying the growth of free trade is the widespread growth in foreign direct investment (FDI). **For the third consecutive year, global FDI inflows rose in 2006 by 38%** to reach \$1,306 billion. While FDI flows in developed countries rose by 45% to reach \$857 billion, flows to developing countries and the transition economies attained their **highest levels ever: \$379 billion** (a 21% increase over 2005) and \$69 billion (a 68% increase respectively.) Global foreign direct **investment inflows in 2007 are set to reach US\$1.5 trillion**, above the record total of US\$1.4 trillion achieved in 2000.

Sources: The World Investment Report, The Economist Intelligence Unit, the Office of the U.S. Trade Representative, U.S. Department of Commerce

## BENCHMARKING: A POWERFUL PATH TOWARDS WORLD CLASS MANUFACTURING

Many owners of closely held businesses believe they are so involved with all facets of their operation that they needn't participate in an industry benchmarking study. But, to increase profitability and continue to grow in today's competitive environ-

ment, you must realize that even your best instincts may not be enough. After all, without an industry benchmark, they're *only* instincts.

As your company sets its performance goals, it is important to determine practical and workable achievement levels – or they won't be met, and may as well not have been set in the first place. How will you know if your company's goals are practical and achievable? By comparing your performance to reputable industry performance targets.

This Spring, NPES will launch a Financial Performance Survey of NPES members. The results of this important survey will evaluate the degree to which a business is successful, and identify the critical measures that will help manufacturers thrive in the months and years ahead. ●

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