

“Buying Fiber for Paper Mills”

Charley Hathaway

Principal Owner – Northwest Procurement Solutions LLC

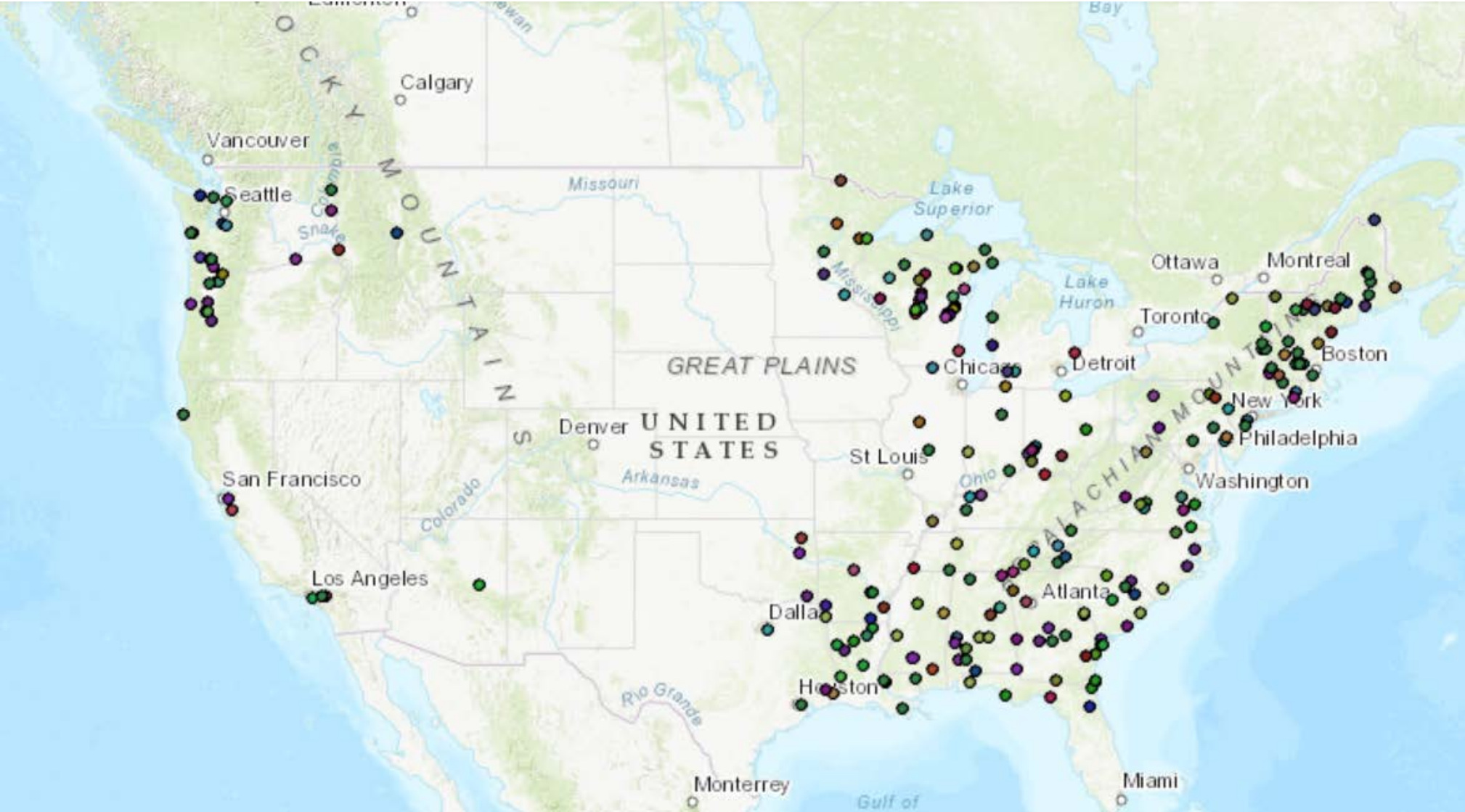
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U.S. Pulp and Paper Mills



Northwest Pulp and Paper Mill Closures Since 1984

IP – Gardiner, Oregon
IP – Albany, Oregon
Boise Cascade – Salem, Oregon
Rock Tenn, Newberg, Oregon
Blue Heron Paper, Oregon City, Oregon
West Linn Paper, West Linn, Oregon
Boise Cascade, St. Helens, Oregon
Boise Cascade, Vancouver, Washington
Georgia Pacific, Camas, Washington
Boise Cascade, Steilacoom, Washington
Weyerhaeuser, Everett, Washington
Kimberley Clark, Everett, Washington
Grays Harbor Paper, Hoquiam, Washington
Nippon Paper, Port Angeles, Washington
Georgia Pacific – Bellingham, Washington

Currently Operating Northwest Pulp and Paper Mills

IP – Springfield, Oregon
Georgia Pacific, Halsey, Oregon
Cascade Pulp, Halsey, Oregon
Georgia Pacific, Wauna, Oregon
Georgia Pacific, Camas, Washington
Weyerhaeuser, Longview, Washington
Nippon Dynawave, Longview, Washington
Kapstone, Longview, Washington
NORPAC, Longview, Washington
Cosmo Specialty Fibers, Cosmopolis, Washington
Port Townsend Paper, Port Townsend, Washington
West Rock, Tacoma, Washington
Inland Paper, Spokane, Washington
Paper Corp of America, Wallula, Washington
Ponderay Newsprint, Usk, Washington

When It All Started?!



<https://www.youtube.com/watch?v=eaCHH5D74Fs>

Does Anyone Think
This Looks Cool?





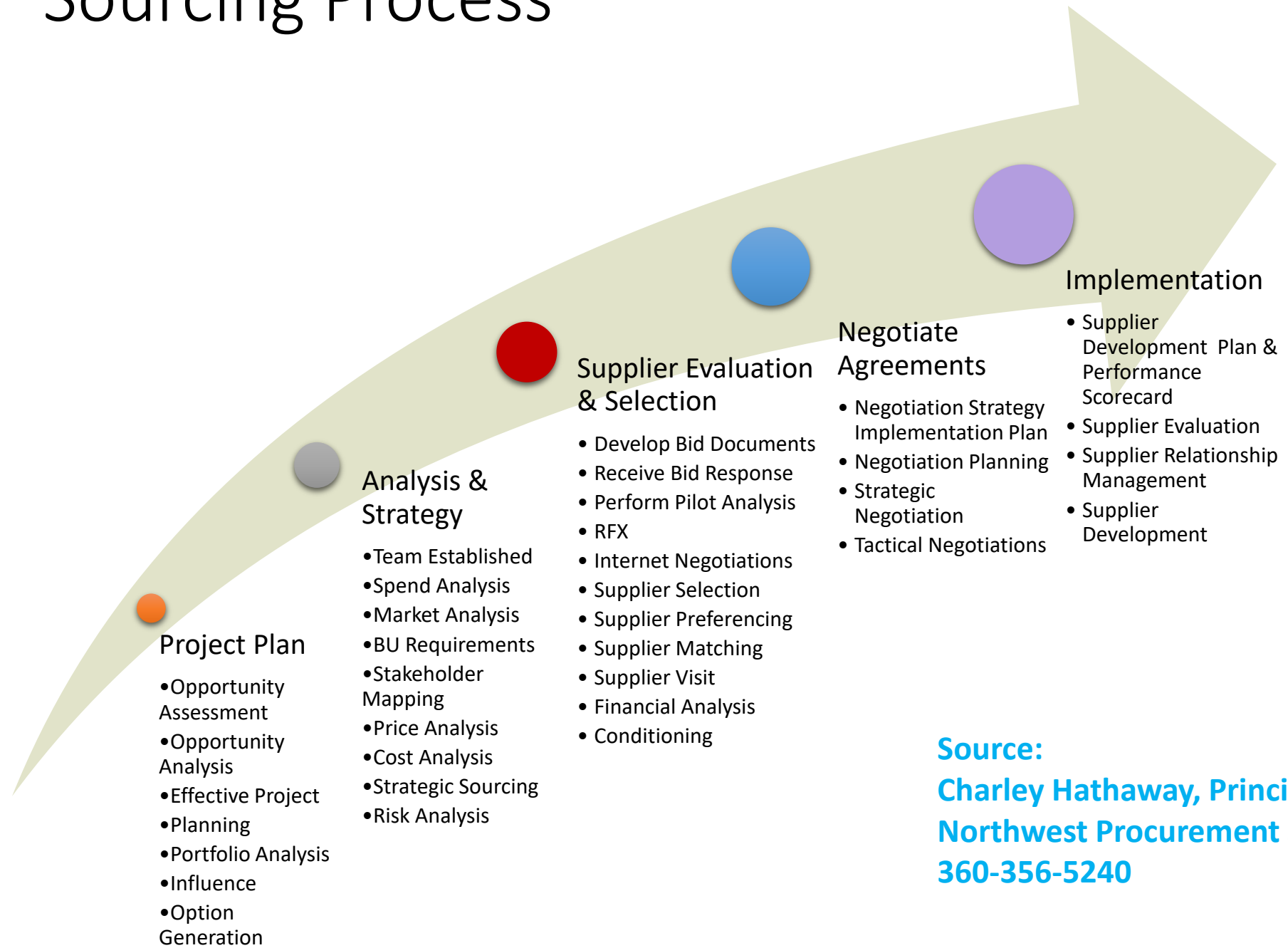
Negotiations for Profit Workshop

October 17 – 18, 2017

Presented by Norbert Ore and Charley Hathaway

Greater Tacoma Convention & Trade Center

Sourcing Process



Source:
Charley Hathaway, Principal
Northwest Procurement Solutions LLC
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It's Usually the Buyer Who Writes the Specifications,
or the Description of What the Seller Needs to Supply.

Therefore, the Sellers Need to Adapt Their Product to
Meet the Buyer's Demands and Deal With It!

Here's a Test

What's Been the Effect on These Markets as a Result of the China's National Sword Policy?

1. Price of Warehouse Space. Up or Down?
2. Export Container Prices. Up or Down?
3. Price of OCC. Up or Down?
4. Sales of U.S. Recycled Paper Mills. Up or Down?
5. Paper Prices. Up or Down?
6. Innovations in Plastics Recycling. Up or Down?
7. Sales of Recycling Equipment. Up or Down?
8. Pulping Chemicals' Pricing. Up or Down?
9. Price of Market Pulp Bales. Up or Down?

PPI Industry Data

Original Data Value

Series Id:	PCU322110322110P
Series Title:	PPI industry data for Pulp mills-Primary products, not
Industry:	Pulp mills
Product:	Primary products
Base Date:	198212
Years:	2008 to 2018

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	184.6	184.1	182.8	183.7	183.7	184.7	185.9	188.0	189.3	189.8	188.5	188.1
2009	181.0	178.9	178.4	175.0	169.3	165.4	164.9	165.3	167.4	169.1	172.7	175.2
2010	177.7	182.9	184.8	188.5	201.9	212.8	213.9	215.1	219.1	215.4	213.9	215.6
2011	215.9	216.2	217.4	216.5	218.0	216.4	219.8	219.7	216.2	214.6	214.6	208.5
2012	212.9	213.9	211.7	210.1	211.0	211.1	215.1	211.8	210.5	208.8	207.7	207.8
2013	204.3	202.1	203.3	203.0	201.9	204.1	202.8	203.1	203.6	204.1	207.2	207.5
2014	203.5	203.6	204.1	205.1	214.1	217.3	216.9	214.4	212.6	206.1	212.3	211.1
2015	210.7	217.6	219.1	218.2	218.6	218.5	219.6	219.0	216.9	215.3	212.8	212.8
2016	209.0	206.0	208.3	204.7	200.5	197.1	198.2	201.8	196.8	197.9	195.4	197.7
2017	196.9	192.5	195.7	199.3	200.0	206.0	209.8	218.0	223.0	224.0	225.8	234.6
2018	242.5	249.8	257.4	262.6	262.9	263.1	266.0					

+26.7% since 7/1/17

Could Deming's Theories on Improving Quality Help Solve the Problem?



W. Edwards Deming

American engineer



William Edwards Deming was an American engineer, statistician, professor, author, lecturer, and management consultant.

[Wikipedia](#)

Born: October 14, 1900, [Sioux City, IA](#)

Died: December 20, 1993, [Washington, D.C.](#)

Awards: Order of the Sacred Treasure, Shewhart Medal, National Medal of Technology and Innovation, Wilks Memorial Award

Education: Yale University (1928), University of Colorado Boulder (1925), University of Wyoming (1921), University College London

Quotes

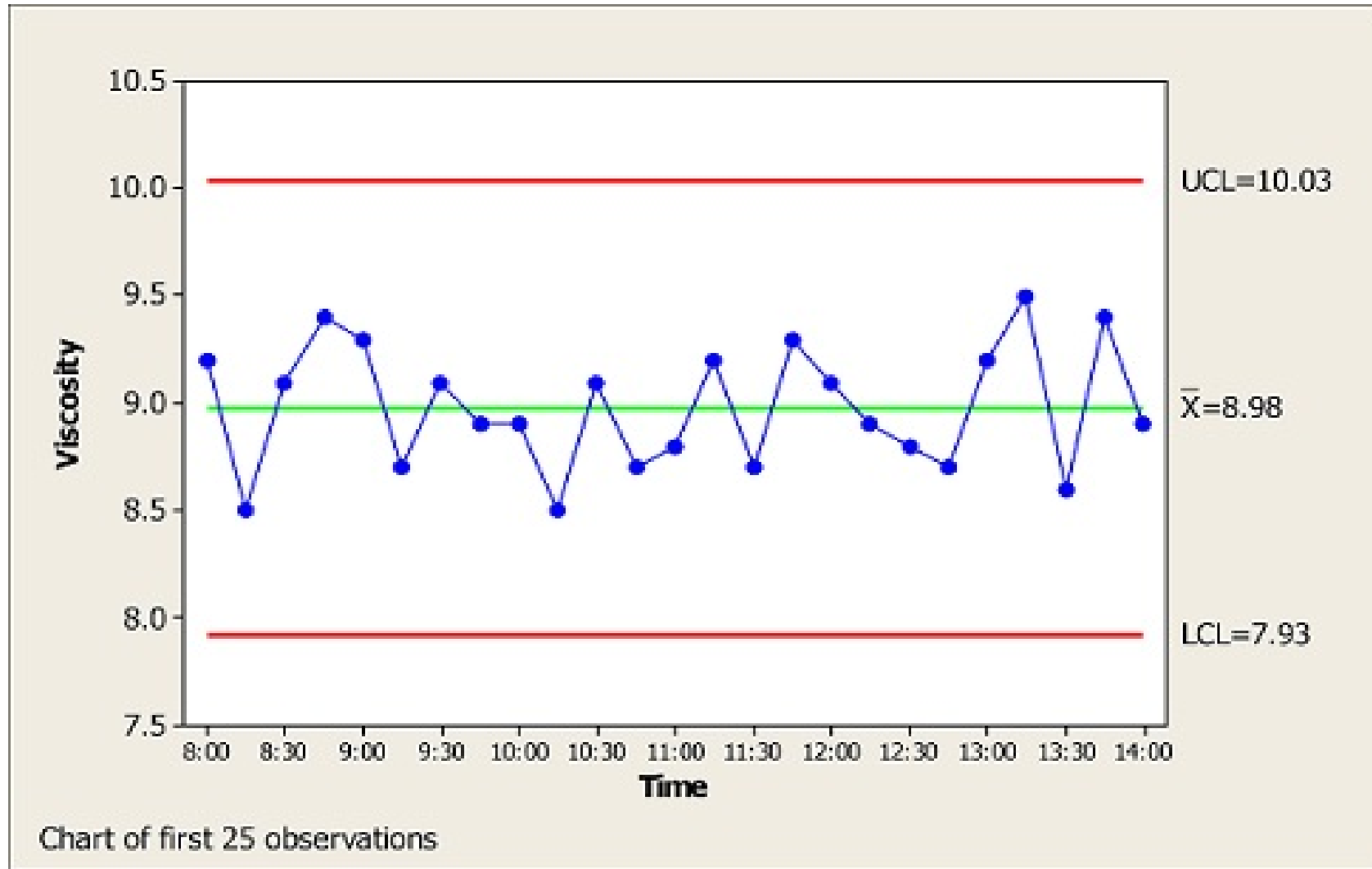
[View 6+](#)

It is not necessary to change. Survival is not mandatory.

It is not enough to do your best; you must know what to do, and then do your best.

If you can't describe what you are doing as a process, you don't know what you're doing.

Example of a Deming Control Chart



Brainstorm Solutions to Problem Caused by Buyer's Specification Change

- Create Incentives
- Tie Sales and Purchases of Desirable Products to Sales and Purchases of Less Desirable Products
- Trade Policy Changes
- Create Dis-Incentives
- Create Markets/Products for or Out of Less Desirable Materials and Make Them in the U.S.
- Find New Markets for Contaminated Waste
- Burn the Waste and Produce Electricity with the Heat
- What Other 100,000 foot Ideas Make Some Sense on the Surface?
- Improve Quality to Meet Market Demands

The Market will Eventually Solve This Problem, Like it Always Has –
Necessity is Truly the Mother of Invention

The Solution to High Prices are High Prices;
The Solution to Low Prices are Low Prices.