



Pine Chemicals Association, Inc.

# Newsletter

3350 Riverwood Pkwy SE, Suite 1900, Atlanta GA 30339

*October 2005*

*Number 4*

***Also read in this issue about:***

- PCA Welcomes New Members
- PCA Upcoming Events
- Industry News:
  - Arizona
  - Cognis
  - Dainippon / Reichhold
  - Flint
  - Appolo / Hexion
- Regulatory
- ANIPIN Annual Meeting

## **PCA SPONSORS INTERNATIONAL CONFERENCE**

The Pine Chemicals Association sponsored the 2005 International Conference at the Royal Pacific Resort Hotel in Orlando, FL, October 2 – 4. Attendance at the Conference was very good with 195 Delegates and 30 Spouse/Guests. A total of twenty six different countries were represented by the delegates. The weather was not very cooperative, as a tropical storm settled off the eastern coast of Florida, however, everyone seemed to enjoy the setting and the various conference events.

The Board of Directors met bright and early on Sunday morning. This was followed by a meeting of the Membership and Information Committee chaired by Dave Germain of Arizona Chemical, and a meeting of the Meetings Committee chaired by Chris Pierce of Weyerhaeuser.

The Conference officially opened on Sunday evening with a two hour Welcome Reception held at an outdoor location. Accompanied by the music of a Caribbean trio attendees had the opportunity to greet old friends and meet first time attendees. The reception was followed by the Speakers Diner, where the Board recognized and thanked our ten speakers.

On Monday morning Mike Roberts of Georgia-Pacific, our Conference Chairman opened the General Session with the help of a few very interesting "characters". Mike welcomed all attendees and after comments from Tony Macleod, PCA Legal Counsel, Jerry Marterer of Arizona Chemical, PCA Chairman addressed the delegates.

Mike Roberts assembled an outstanding group of speakers who presented papers on a number of interesting and timely topics. Speaking on Monday October 3rd were;

Mark Pavlin – Arizona Chemical  
John Smith - Arez US, Inc.  
Jerry Cross – Eastman Chemical  
Ben Ward – MeadWestvaco  
Colin Rogers – Arizona Chemical

***For further information access our website:***

[www.pinechemicals.org](http://www.pinechemicals.org)

## PCA 2005 INTERNATIONAL CONFERENCE



*Above: Delegates and their guests enjoy the Welcome Reception.*

Our speaker at the Monday Luncheon was Dr. Thomas J. Cunningham of the U.S. Federal Reserve Bank of Atlanta. Dr. Cunningham offered some very interesting observations and insights concerning the World and US economies.

For the second time in three years the PCA Environmental Health and Safety Committee and the HARRPA Technical Committee held a joint session, this time as part of the International Conference. Nelson Lawson and Colin Rogers co-chaired the meeting that began on Monday afternoon and concluded on Tuesday October 4th. The session was well attended by representatives of both HARRPA and PCA.

The Gum Rosin Recovery Committee under the chairmanship of Ken Malin of Akzo Nobel also met on Monday afternoon and formulated a technical program for the coming year. Other conference delegates took full advantage of the free time for networking.

Monday concluded with a second reception held indoors due to inclement weather.

On Tuesday, October 4th the General Session included a second group of outstanding speakers:

Dave Peterson – Arizona Chemical  
Rudy Hagen – Georgia-Pacific  
Roy Herbst – IFF  
John Shultz – Akzo Nobel  
Bob Lieberman – Cognis

Following a round of interesting and thought provoking questions the formal portion of the meeting was adjourned.

The final night's dinner was held at nearby Universal City Theme Park. The PCA group had the "New York Street" section for their exclusive use. Following (or preceding for the more astute) a buffet dinner, attendees enjoyed the "Mummy" and "Twister" events as well as a lively and realistic "Schrek" movie. The Florida weather cooperated beautifully for a brief period and participants could enjoy outside activities.

## PCA WELCOMES NEW MEMBERS

Pine Chemicals Association is proud to announce the following new member companies;

Cargill Incorporated – USA  
China Tuhsu Flavors & Fragrances – China  
Guangdong Agribusiness Group – China  
National Capital Partners, LLC – USA  
Rightone International – China  
Rosinsource International, Ltd. – China  
Socer Brazil – Brazil  
Strategic Consulting Partners, LLC – USA  
Vistaurum corporation - USA

## PCA 2005 INTERNATIONAL CONFERENCE



*Dave Peterson & other Speakers were recognized by Mike Roberts at the Speakers Dinner.*



*Speakers at Monday's General Session answer Delegate's questions.*



*Delegates enjoy Monday's Lunch.*



*Colin Rogers explains proposed new "REACH" legislation.*

## PCA UPCOMING EVENTS

Please mark your calendars with the dates off the following meetings;

ANNUAL MEETING – 3, 4, 5 May, 2006 – Ritz Carlton Lodge – Reynolds Plantation, GA

INTERNATIONAL CONFERENCE – 24, 25, 26 September, 2006 – Copacabana Palace Hotel – Rio de Janeiro, Brazil

Information concerning the meeting programs, hotels, and registration will be posted on the PCA website, [www.pinechemicals.org](http://www.pinechemicals.org), as time for the meeting draws nearer. Please check the website often!

## INDUSTRY NEWS

### INTERNATIONAL PAPER ANNOUNCES PLANS FOR POTENTIAL DIVESTITURE OF ARIZONA CHEMICAL

In a July announcement, International Paper Co. Chairman and CEO, John Faraci, announced plans for a major divestiture of assets in order to narrow the company's market focus, and allow management attention and financial resources to be concentrated on key business segments. Among those businesses slated for potential divestiture is Arizona Chemical. IP first initiated its divestiture efforts for Arizona Chemical in 2001 as part of a \$3 billion restructuring program. A sale for Arizona was not consummated at that time.

Headquartered in Jacksonville, FL, Arizona Chemical has six US manufacturing sites and six plants located in Europe. A total of 1400 people are employed world wide. Arizona supplies products to the printing ink, adhesive, and oleochemicals markets. Total revenue for Arizona Chemical in 2004 was \$670 million.

In commenting on the potential divestiture Jerry Marterer, Vice President, Arizona Chemical said. "Arizona Chemical has a solid strategy with great assets and will likely be attractive to another investor". Mr. Marterer went on to say, "Arizona Chemical remains committed to our customers and to providing outstanding service."

A time table for the divestiture has not been made public.

## PCA 2005 INTERNATIONAL CONFERENCE



*Dr. Tom Cunningham  
addresses Conference  
Delegates.*



*Bob Lieberman makes  
presentation on Dimer Acids.*



*Speakers at Tuesday's  
General Session answer  
Delegate's questions.*

## COGNIS ANNOUNCES TWO EXPANSIONS

Cognis has announced the opening of a US \$24 million facility in Illertissen, Germany for the production of plant sterols and conjugated linoleic acids. In a separate announcement Cognis and Golden Hope Plantations Berhad say they plan to expand their Malaysian oleochemical joint venture which opened in 1989.

## DAINIPPON CHEMICALS DIVESTS STAKE IN REICHHOLD

Dainippon Chemicals (DIC) has agreed to a management buyout of its Reichhold subsidiary. The effort is being led by Reichhold CEO John Gaither.

As part of the deal DIC will retain ownership of an Austrian coatings operation, while Reichhold will hold onto facilities in the Americas, Europe, and one in the Middle East.

## FLINT INK AND XSYS PRINT SOLUTIONS AGREE TO MERGE

Flint Ink Corp. of Ann Arbor, MI, and XSYS Print solutions of Stuttgart, Germany have agreed to merge. The merged group will rank among the largest ink companies in every region it serves, with 8,000 employees and combined revenues of approximately \$2.6 billion based on 2004 figures. The new company will be jointly owned by CVC Capital Partners and the management of both companies.

Dave Frescoln, currently chief executive officer of Flint Ink will be CEO of the new company.

## APPOLO ANNOUNCES THE FORMATION OF HEXION SPECIALTY CHEMICALS

Apolo Management, LP has launched Hexion Specialty Chemicals which is a combination of Borden Chemical, Inc., Resolution Performance Products, LLC (formerly Shell Epoxy Resins), Resolution Specialty Materials, LLC (formerly Lawter Chemical) and Bakelite AG. Hexion has since filed for an initial public stock offering in an effort to raise capital of up to \$696 million.

With 7,000 employees and 86 manufacturing sites, Hexion had total revenues of \$4.1 billion in 2004. The company's major product areas include formaldehyde, epoxy and phenolic resins, molding compounds, coating resins, acrylics, alkyds, polyester resins versatic acid, ink resins and other specialty products and formulations.

## PCA 2005 INTERNATIONAL CONFERENCE

Final Night's Dinner at  
Universal Theme Park



## REGULATORY

For those of you in the pine chemicals industry who may not be in touch with the very latest in regulatory acronyms we have a new one. "SAICM" which stands for Strategic Approach to International Chemicals Management, is a program sponsored by the United Nations which proposes global regulations of chemicals and potentially downstream products, especially in developing countries. The details of the proposed SAICM regulations are being debated in various forums and in various countries. SAICM is a long way from being accepted, much less implemented, but progress in this area bears watching. We will attempt to keep you posted on later developments.

Elsewhere on the regulatory front, a group of United States Senators have proposed legislation that would dramatically overhaul the way chemicals are regulated in the US. The new legislation is similar to that under consideration by the European Parliament under the heading of REACH (Registration, Evaluation, & Authorization of Chemicals). According to sponsors of the new US legislation the Toxic Substance Control Act of 1976 is inadequate and cripples the government's effort to protect the public from harmful chemicals.

## ANIPIN ANNUAL MEETING

On December 8th, in São Paulo, Brazil. Please contact Alejandro Cunningham – [alexcunn@uol.com.br](mailto:alexcunn@uol.com.br) for further details.