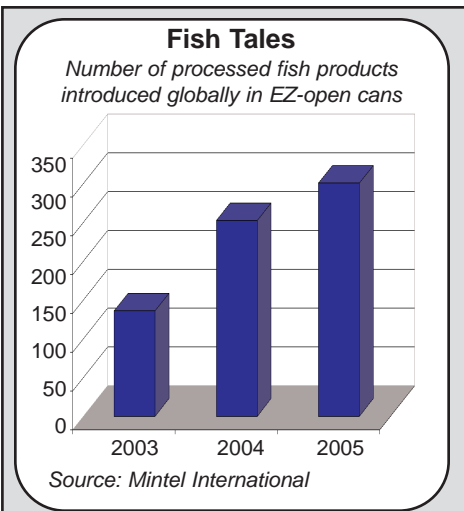




Unbiased global packaging intelligence and analysis



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ALUMINUM MAKERS RAISE THE ROOF OVER CONTRACT PRICE CEILING CAPS

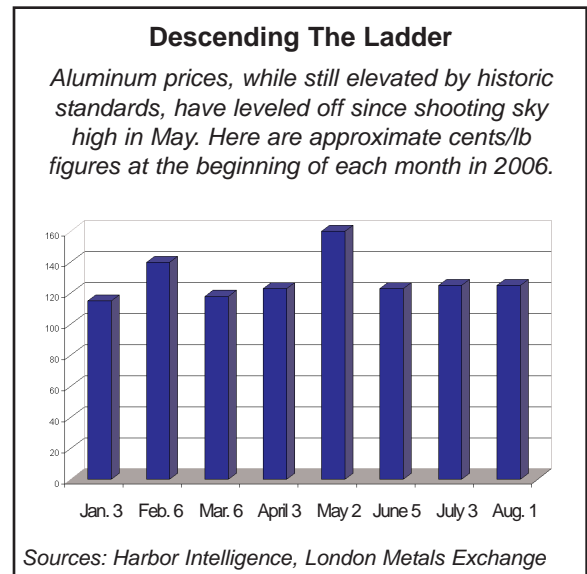
A lawsuit filed by **Wise Metals Group** against **Crown Holdings** underscores a looming fight between canmakers and aluminum suppliers surrounding low contract price caps. Yet, the alternative may be higher sheet prices that thwart can producers' growth.

Baltimore, MD-based Wise asked an Alabama court for a declaratory judgment against Crown after the Philadelphia company reportedly pulled its beverage-can sheet contract from Wise. Overall, Wise sold about \$175mn of sheet to Crown, about 20 percent of Wise's annual sales. Crown said it will still buy some food-can sheet from Wise. Neither company is talking beyond Wise's written statements.

Wise precipitated Crown's contract change by attempting unsuccessfully to renegotiate prices with Crown for the past six months. According to sources, Wise's contract with Crown was capped at 85 cents/lb, far below the current trading price of 114 cents/lb. Wise blamed \$16.5mn in Q206 losses on price caps.

Generally speaking, many fixed-price contracts are due to expire soon and new contracts are being offered without price caps, according to analyst Jorge Vazquez Serna of Harbor Intelligence,

Monterrey, Mexico. That could lead to a "notorious increase in can sheet prices and the cost of producing aluminum beverage cans," Serna said.



Wise continues on p. 7

2ND OPINION

Medical Device Testing Gets Updated ISO Diagnosis

Too often, medical-device manufacturers try to get through the packaging validation process too quickly by cutting corners in the race to be first to market. Some do not understand the complex testing requirements for package validation. That issue, and the need for more efficient testing guidelines, has led to a revised ISO 11607-01:2006 standard, which is now



"A key to the new standards will be education about validation requirements, both to medical-device makers and packagers," says Patrick Nolan. "It is essential they understand what is required and not be surprised by a potential failure."

harmonized with EN 868-1, a standard similar to that by the European Union.

The FDA, as well as European authorities adopting the standard, is keeping a close watch on the package system design, manufacture, and validation process. Packaging is

often cited as the reason for product recalls. The FDA *Recall* reports typically indicate such reasons for recalls as:

- the potential for open side-seals, post-sterilization, of breather pouches used in the custom sterile packs
- product sterility may be compromised due to defective packaging
- delamination of pouches during extended storage compromised sterility.

The revised standard helps better streamline the packaging validation process for medical devices.

Under the previous ISO guidelines, packages were subjected to a series of sequential tests to determine the combined effects of manufacturing, shipping, and storage. The revised standard stresses that stability, or storage, is a separate entity.

Packages can be tested separately -- not in conjunction with the dynamic aspects or performance of the whole package system.

Packaged products also undergo dynamic or "performance" testing through distribution simulation tests. A package is evaluated under typical shipping and handling dynamic events through a series of drop, vibration, compression, and altitude tests.

The heaviest burden to medical-device manufacturers under the revised standard could be the need to provide a larger product sample. The performance tests also must be performed with the actual product in the package. With some products costing tens of thousands of dollars each, that could extract a greater cost burden. The performance tests can be conducted with a facsimile product having the same physical characteristics as the actual product, saving substantial money.

Currently, some medical-device manufacturers are not aware that updated standards have changed the industry. The packaging industry needs to be a leader in offering product/package configurations that not only are defect-free but that can easily pass validation muster, especially within a packaging industry sub-segment as critical as healthcare. Patients are depending on thorough and complete due diligence of the package system.

Providing This Opinion...

Patrick Nolan is coo of DDL (www.testedandproven.com), a package, product and material testing laboratory. He has more than 20 years' of experience in the testing of packaging and products for shock and vibration hazards in the distribution system. Nolan is the chairman of the ASTM D-10 Committee on Packaging. PS



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Save the Date!

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Package Design 2007
 January 30- February 1, 2007
 Sheraton World Resort
 Orlando, FL

POLYPROP AND PANEL-LESS: SONOCO GOES A NEW DIRECTION

Sonoco has become a surprise contender in the battle among panel-less plastic bottle converters save one new punch: The company's offering is retort-capable polypropylene (PP) rather than aseptic and hot-fill PET.

Sonoco, Hartsville, SC, is taking initial aim at the shelf-stable, low-acid dairy market with a bottle that replaces metal or glass containers and offers similar performance to aseptic PET bottles. The company claims its technology offers the first retortable PP container that is also panel-less. It also is one of the few retortable PP beverage bottles in the United States.

Kan-Pak, a beverage packager in Arkansas City, KS, has filled a new line of RTD iced cappuccino drinks, *Cool Java*, in the Sonoco container. The company replaced its glass bottles with polyprop to achieve better shelf differentiation, said sales manager Jim Jackson.



Kan-Pak is slowly rolling out Cool Java, going head-to-head against entrenched competitor Starbucks' Frappuccino in glass containers. The new PP container is close to half the weight of a similar glass bottle, which lowers freight costs even though the resin costs more than glass, according to Kan-Pak's Jim Jackson.

Message In A Bottle

After an initial price hurdle to buy aseptic equipment, material costs to make a heat-set PET bottle could be slightly less than that for retortable polypropylene (PP). Industry experts explain that a 500ml bottle requires about 35 grams of resin in a PET heat-set vs. 30 grams for a comparative size retort polyprop bottle.

Bottle-resin grade PET currently is running between 72 and 74 cents/lb, while copolymer blow molding PP is priced at 87 to 88 cents/lb, according to **Plastics News**. A bottle would use 0.077 lbs of PET vs. 0.066 lbs of PP.

Using the high end of Plastics News' range yields the following:

PET cost for a 500ml bottle: 5.6 cents
 PP cost for a 500ml bottle: 5.8 cents
 PET cost for 100,000 500-ml bottles: \$560,000
 PP cost for 100,000 500-ml bottles: \$580,000

A converter would save about \$20,000 by using PET vs. PP to make 100,000 bottles.

Source: *Plastic Technologies, Plastics News*

While aseptic PET was an option, Kan-Pak opted to avoid investing in aseptic equipment and instead moved to retort, citing an advantage for smaller volumes and a lower cost of entry.

Retortable

PP works best with low-acid products that avoid taste problems when the liquid is heated to high temperatures. In the retort process, the bottle contents are elevated to 250°F, compared to 180°F for heat-set PET bottles, said John Theis, Sonoco market segment manager for consumer products.

Sonoco's panel-less bottle resembles those used for such dairy-based beverages (DBBs) as *Nesquik* rather than **Graham** or **Amcors**' panel-less offerings for isotonic.

Sonoco overcame vacuum panel issues through finite-element analysis during bottle design to predict the weaker areas that could fail during retort. They adjusted vacuum pressure points accordingly based on FEA.

The company is using clarifying agents to boost bottle clarity. However, that attribute is all but lost on in the *Cool Java* application, which is decorated in a full-body shrink sleeve but which does feature several small "windows" to view the contents. The bottle uses a six-layer structure that includes a layer of EVOH to prevent oxygen from migrating into the contents.

Packaging Strategies' Perspective: *The flavored-DBB market is already a major player in PP. If Sonoco's container can withstand expansion and contraction at high temperatures during retorting, more opportunities could open, said Gordon Bockner of Bethesda, MD-based **Business Development Associates**. Sonoco is attempting to make a larger name in rigid plastic packaging and is banking that a PP bottle could be a difference maker.* PS

UNCLE SAM RECRUITS PLIANT IN CAMPAIGN FOR NEXT-GEN RETORT POUCH FILM

During its recent Chapter 11 bankruptcy filing, film packaging producer **Pliant** repeatedly emphasized to investors that its financial restructuring would not affect ongoing operations.

After emerging July 19, it can safely be assumed the company was on target with that plea. The Schaumburg, IL-based specialty packaging converter reported an 11.5 percent sales increase in Q206 and lowered its debt significantly. Equally important, the company revealed it was working on several high-profile R&D projects that could catalyze further growth -- including several multi-year U.S. government contracts valued at \$6.5mn for the year running from July 1, 2006, through June 20, 2007.

In an interview with **Packaging Strategies**, Greg Gard, Pliant senior vp, technology and innovation, revealed the nature of those contracts, saying the company is working with the U.S. Department of Defense on new large-format retort pouches for meal ready-to-eat (MRE) products that are replacing No. 10 cans, developments previously chronicled in past *Packaging Strategies Newsletter* reports.

Besides the current rollout, the company is

focusing on tamper-evident films for military applications.

The company also is working with **ScentSational Technologies**, Jenkintown, PA

ScentSational Gets Whiff of Success With Aromatic Water

ScentSational Technologies has found another commercial niche for its highly touted aromatic water by partnering with a development company.

ScentSational, Jenkintown, PA, sells a plastic closure that includes food-grades flavoids that over a week's time seep into a bottle and add a sense of smell to the liquid inside. The transmittal of olfactory elements through Scentsational's FDA-approved cap eliminates the need for additives or sweeteners in drinks and thus contributes to a healthier, purer beverage, according to ScentSational cto Steven Landau.

The U.S. Department of Defense, through its supply base in Natick, MA, is considering using the flavored caps with flexible packaging for ready-to-eat meals, he said. The caps have a three-year shelf life for aroma before the scent dissipates.

Contact: At ScentSational Technologies: Steven Landau, Tel: 215-886-7777, E-Mail: Slandau@scentsationaltechnologies.com



A scent-induced package using the technology will come from Aroma Water, a Haverford, PA-based start-up company that will sell an eponymously named product with ScentSational's scent-added cap. The 20oz PET bottles will be marketed in the United States this year. The application is thought to be the first flavored bottle water package in the United States not to contain direct additives.

(see sidebar story), to include flavor additives to film used for extended-shelf-life meal packs to make them more palatable for military personnel, Gard said. The company has found some additives do not mix well during the coextrusion process and is working on new processing techniques.

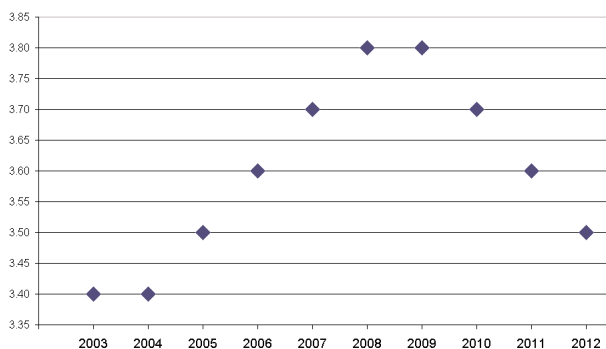
During that quiet period when Pliant was in bankruptcy, the company also developed stronger barrier films using 40 to 50 micro layers, adding months to shelf-life, Gard explained. That barrier technology, licensed to the U.S. government, can run on as few as two coextrusion machines to cut down on cost.

Pliant is banking that the technology will eventually be transferred to commercial use and help lead the next evolution in film technology, according to Gard.

Pliant president/ceo Harold Bevis said, the bankruptcy emergence "is a big breath of fresh life that will allow us to pursue our plans." PS

Retort Renaissance

Growth percentage forecast for retort packaging



Source: Frost & Sullivan

SOLO, GRAPHIC WORK TO KEEP INTEGRATION FROM DISINTEGRATING

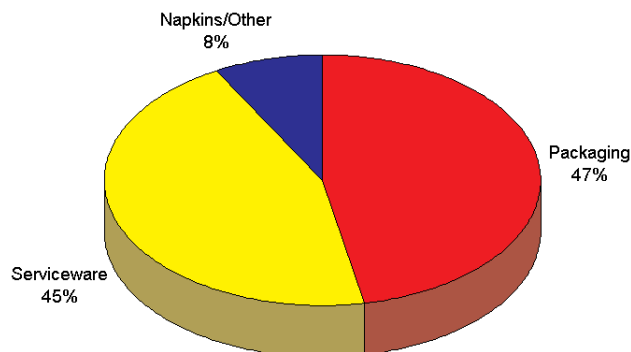
Problems of integration are striking at not only the finances of **Solo Cup** and **Graphic Packaging** but also the top management of both companies.

Solo, Highland Park, IL, and Graphic Packaging, Marietta, GA, both replaced top managers in August after enduring several years of bottom-line difficulties and other internal issues. Both companies were once heralded for industry-changing acquisitions that melded large competitors: Solo bought foodservice giant **Sweetheart Holdings** in 2004, while Graphic Packaging International bought paperboard maker **Riverwood Holding** in 2003.

Since then, Graphic has been stung by recurring net losses, even with ongoing cost-cutting initiatives, and has struggled with weak folding carton volumes. The company replaced its cfo last year. On Aug. 17, Donald Sturdivant, a 15-year company veteran, resigned as senior vp, food and consumer products packaging.

Solo has deeper worries. The company

Slicing The Foodservice Packaging Pie
U.S. Demand for Foodservice Disposables



Sources: Freedonia/Industry Estimates

delayed filing its second-quarter financial statements while it reviewed accounting practices and procedures. The company also named a new ceo, company president Robert Korzenski, to replace the retiring Robert

Hulseman. Korzenski was appointed president at Solo in April.

Solo reported a sales increase for Q106 but suffered a net loss of \$22.1mn.

The company had expected the Sweetheart acquisition to strengthen volumes and provide economies of scale to cut costs, said Cynthia Werneth of New York-based **Standard & Poor's**, which recently put Solo on Credit Watch. That strategy has not panned out as hoped. Solo's volume growth has only been 1 to 2 percent year over year, according to financial sources.

One sign is the fact the company is building a new information-technology platform later this year. "It goes to show there were areas related to the acquisition that are still not quite ironed out," Werneth said.

There are signs of optimism in the product pipeline for both companies. Graphic Packaging talks of the growth of its *MicroRite* microwave susceptor technology, while Solo touts its recycled-content cup developed for **Starbucks**.

Packaging Strategies' Perspective: Solo will lose some Starbucks cup volume to competitor **International Paper** in 2008, a move that strangely pleased Korzenski during the earnings call. Solo had suggested Starbucks find a secondary supplier, and the transaction took place as Solo had hoped, he said. We'd expect I-P also shares in that happiness. PS

SEEKING A NEW IMAGE, CAN MAKERS LOOK TO FILLET OLD PACKAGING

Processed tuna is suddenly being reeled into the North American package development departments of brand owners looking to reinvigorate a tired format.

While new tuna packages have swam upstream in Europe and Asia, most of North America has been held hostage for years by tired-looking steel cans. That has gotten the recent attention of such metal converters as **Impress Group**, Deventer, the Netherlands, as its customers look for new solutions. "The problem that keeps us awake at night is the traditional cylindrical form of the tuna can," said Richard Moore, Impress vp, strategic development. "It's been around for so long that it's boring."

End-users such as Impress customer **Bumble Bee Foods** and **Chicken of the Sea** have been looking to transform tuna

packaging and give it a more upscale image. A source with Chicken of the Sea, San Diego, CA, said the company expects new packaging concepts to be introduced as early as September for some products. Moore said Bumble Bee has kept a close watch on what has been done on other continents.

Bowl-shaped cans from Impress and Philadelphia-based **Crown Holdings**, a staple structure for years in Europe, are now being used for processed fish and ready-to-eat tuna meals. In Japan, **Hagoromo Foods**, the

country's largest tuna processor, has moved to an *Easy Peel* aluminum lid from Impress on its canned tuna to avoid the serrations from pull tops, notes **Mintel International**, Chicago.

In North America, look for more flavored and ready-to-eat tunas and wild-caught fishes in premium cans (see sidebar). Zippered, foil pouches are capturing some of that market, as are other premium-image cans with easy-open lids.

Packaging Strategies' Perspective: As Moore noted, metal can producers would never have worried about what consumers wanted differently from their products a decade ago. Now, can makers are edgy as alternative rigid, semi-rigid, and flexible formats are fishing for new market share.

PS

'Aus-some' Tuna In A World-class Can

Canmakers and tuna processors alike might want to look down under for the latest new products and imaginative can marketing. *G'Day Gourmet's* line of Australian-style savory tuna and salmon has arrived on North American shores to great fanfare.

Demonstrating the critical connection between marketing and packaging, Ponte Vedra Beach, FL, based Blue

Horizon Seafood has had a bit of fun with the can and label. Prominently illustrated along-side striking graphics depicting the Sidney Opera House are the instructions: E-Z open-Lid "Down-Under" – referring to the pull-tab opening feature on the under side of the can.



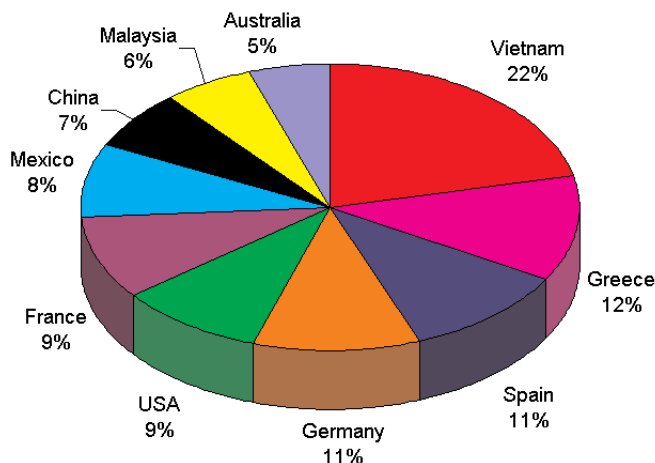
Packed in 3.5oz single-serve cans, *G'Day Gourmet's* nine varieties of wild-caught flavored tunas and salmon have captured the attention of LOHAS consumers (lifestyle of health and sustainable) in such trendy outlets at **Whole Foods** and **Wild Oats**.

Besides being the most flavorful tuna and salmon seafood lovers will likely ever eat, consumers are finding the cans and EZ-open end – both produced by **Visy Industries** – to be an upscale consumer convenience.

the cans and EZ-open end – both produced by **Visy Industries** – to be an upscale consumer convenience.

Catch of the Day

Percentage of canned products launched w/easy-open ends/ 2003-2005



Source: Mintel International



In Europe, Impress has used can-shaping technology and finite element analysis to produce an asymmetrical, three-sided can called the Tripod that holds a tuna steak in a fixed position and makes removal from the can easy, Moore said. Those cans, with a peel-off lid, have garnered point-of-purchase attention in Western Europe.

MODIFIED ATMOSPHERE MEAT PACKAGING PROPONENTS, OPPONENTS FACE OFF OVER STUDY FINDINGS

With a **Food and Drug Administration** petition still looming, the **National Cattlemen's Beef Association (NCBA)** commissioned a research study to determine whether modified-atmosphere packaging (MAP) was safe for consumers.

The results of the **Texas Tech University** study, finished in early July and just released, has brought some quantitative answers for the first time to an incendiary debate. And it also has thrown more charcoal briquettes on an fiery issue that doesn't need fanning.

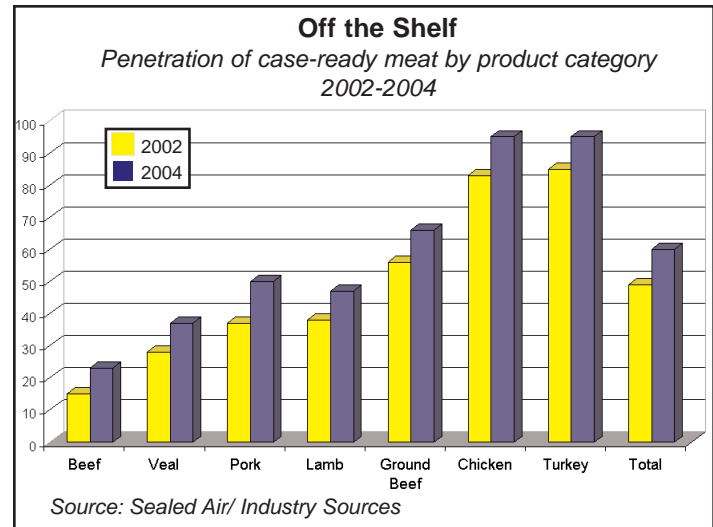
The study found meats using a variety of MAP techniques – both with high-oxygen exposure and low-oxygen carbon monoxide – inhibited foodborne pathogens better than traditional, shrink-overwrapped packages.

In addition, after 14 days on shelves refrigerated at an average 34°F, consumer panelists detected strong off-odors that indicated meat spoilage.

That latter conclusion is at the controversy's heart. Food additives maker Kalsec, Kalamazoo, MI, has petitioned the FDA to consider banning carbon monoxide in MAP because consumers could be deceived that spoiled meat still looks and smells fresh. While the study found the meat would not be discolored after 14 days, an odor would be apparent. "We found a trained panel of consumers makes good decisions about a meat product," said Michelle Rossman, NCBA safety research director.

However, claims of bias exist on both sides of the debate. Kalsec vp Don Birdahl questioned the beef industry-funded study's objectivity and disagreed that meat would have a detectable

odor after only two weeks on store shelves. He also claimed other studies show carbon-monoxide-treated meat spoiling at faster rates. "All we want is a definitive study," he said.



However, meat-industry proponents say Kalsec also is biased, attempting to sell more of its flavor additives by ridding stores of carbon-monoxide-treated meat. The American Meat Institute, Washington, DC, said "Kalsec's behavior is like that of a temperamental child who doesn't get his way."

Yet, there is still the chance the FDA might agree with Kalsec's petition, which is backed by several consumer groups. With supportive stories on the dangers of MAP-treated meat in such respected consumer publications as the *Washington Post*, several members of Congress are said to be considering legislative action. "The media jumped on the bandwagon, and a few Congressman started talking about it," said Karen Batra, NCBA's public affairs director. PS

Wise continued from p. 1

Can makers could unexpectedly pay higher aluminum prices and could attempt to pass those costs to customers. At the same time, their aluminum suppliers are rebelling against the caps. Two of the largest domestic can sheet producers, Pittsburgh-based **Alcoa** and Atlanta-based **Novelis**, both have told customers they also plan to eliminate caps. Novelis has actively cut ceilings from close to half its contracts and said it will eliminate cap exposure entirely by 2009.

Wise, the U.S. market's No.3 aluminum producer, faces survival issues, said Philip Rogers of consulting firm **Metals for Packaging**, Yelford, England. The

company has denied published reports that it is considering Chapter 11 bankruptcy, while admitting it is in need of a financial uplift. "It's a question of who blinks first," can makers or aluminum producers," Rogers said.

Packaging Strategies' Perspective: *The only good news coming from this ugly contract battle is that aluminum prices are beginning to drop, after peaking at 145 cents/lb in May. Harbor Intelligence expects prices to fall much lower in 2007 and 2008, buffering some of the pain when hedged contracts expire and possibly defusing tenseness among can makers and certain suppliers.* PS

STREET TALK

INTELLIGENCE FOR THE INFORMED PACKAGING EXECUTIVE

DuPont Puts Bag-in-box Business On The Block

Sources have confirmed **DuPont**, Wilmington, DE, is putting its flexible packaging business known as **Liqui-Box** up for sale and has hired **J.P. Morgan Chase** to shop the company.

Liqui-Box could fetch a tidy sum due to two factors: its recent global activity and its work in a fast-growing packaging sector, that of pouches and bag-in-box dispensing systems. The latter is migrating to more uses in aseptic beverage packaging, an area Liqui-Box has been slower to enter but could be fostered with a new owner that likes its total-systems approach.

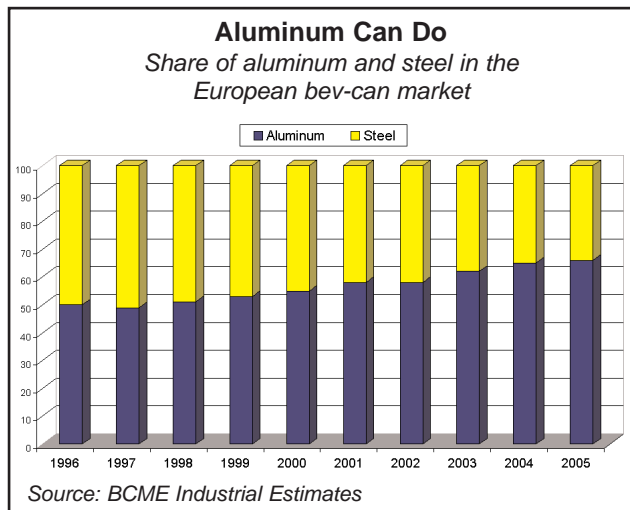
The company has gone through a maelstrom of change since DuPont purchased it in 2002 for \$333mn. The company, which had annual sales that year of about \$145mn, moved its operations from Ohio to Mississauga, ON, and changed its name to **DuPont Liquid Packaging Systems**, although it still goes informally by Liqui-Box.

The company has since started commercial bag production in Shenzhen, China, and partnered with Colombian company **Plastilene** to make extruded film in South America.

Aluminum Cans Stealing Steel's European Market Share

While it is not unanticipated, steel's hold on Europe seems to be slowly slipping, as has already happened North America.

New figures from **Beverage Can Makers Europe** show aluminum beverage cans steadily gaining ground year over year on steel. Where aluminum cans in the United States represent virtually the entire beverage can market, European numbers have been more evenly split. Yet, steel has not had a majority share of the European market since 1997 and now sits at 34 percent of the total.



Phillip Rogers of consulting firm **Metals for Packaging**, Yelford, England. **Ball Europe** has changed over four lines and **Crown Holdings** two more.

The news was mentioned briefly by **Alcan** president/ ceo Richard Evans. The Montreal-based company still makes a small amount of steel cans in Europe. Evans said that Eastern Europe, a main stronghold for remaining steel beverage cans, is moving sharply to aluminum.

Coke To Give 'Mini' A Mighty Try

Atlanta-based **Coca-Cola** has caught the portion-control bug that seems to be affecting every cranny of the packaging industry. The company has launched ultra-small-size bottles in England and has peppered the media there with a new ad campaign.

The 8oz PET bottles are being sold both individually and as eight-bottle multi-packs. The soft-drink maker is touting their necessity for those who "continue to lead busy and stressful lives" and want the convenience of a quick bottle of Coke, albeit one with less sugar than a typical 16oz or 20oz bottle.



A new 8oz mini-bottle now on sale in England, is noticeably smaller when set side-by-side with a 16oz bottle. The "mini" offers the same brand equity through Coke's proprietary shape/design as its larger counterpart.

small sizes and go back to more cavernous thirst-quenchers.

With CSD volumes down globally, Coca-Cola might have wanted to shake things up, so to speak. **Red Bull** has found successful with its 8oz trim cans, which launched a flurry of similar packaging posers in the energy drink. If Coke finds success with the "mini" package in England, other regions could soon see them as well.

This seems to be a trend that comes around every decade, normally with limited success. Cans also have been tried in 8oz sizes but have disappeared from the market. History has shown consumers tire of the



COMMERCE DEPARTMENT SELLS SUSTAINABILITY TO MANUFACTURERS

The **U.S. Department of Commerce (DoC)** is piecing together a major program to promote sustainable business practices among U.S.

manufacturing. The campaign not only is new for the DoC but it breaks one of the cardinal rules of government protocol.

“Industry normally tends to be ahead of the curve and government tends to follow,” said DoC international economist Joanne Sonenshine. “But not in this case. As a government agency, we’re going to learn as much as we can and then be proactive instead of reactive.”

The DoC’s aggressive approach is another sign sustainability is not going to fade like a pair of old jeans.

Instead, Sonenshine said global companies are addressing sustainability issues much faster than their U.S.-based peers, tackling such weighty problems as energy conservation and lifecycle management with gritty determination. U.S. companies have some catching up to do, and the DoC plans to help.

Sonenshine will present the Commerce Department’s goals and objectives to promote sustainable production during a keynote talk at the **Sustainable Packaging Forum**, Sept. 26-28 in St. Paul, MN.

The DoC is starting from a position of strength by launching an inter-agency global study of sustainability. The two-year study will define sustainable production, look at how it is used worldwide, and then develop benchmarks U.S. manufacturers can follow to achieve measurable success. The study will be completed by 2008.

That proactivity has already begun. An industry/government partnership involving U.S. and Asian companies -- dubbed the Asia-Pacific Partnership for Clean Development and Climate

-- is looking into climate control and energy efficiency issues that affect the globe. Another field study with the **United Nations’**

Committee on Sustainable Development is crafting manufacturing practices for policy implementation.

But if sustainable manufacturing is to stick, U.S. companies must become more involved and aware, Sonenshine emphasized. In essence, they must warm up to the ideas of reduce, reuse, and recycle, she said. While good ideas in theory, they do not mean much if companies do not also believe they can see a profit from being

good environmental stewards, she cautioned.

“Sustainability is big around the world,” Sonenshine said. “Companies are noticing they can make money and help the environment too.”

Packaging Strategies’ Perspective: *As Sonenshine admitted, the DoC has been occasionally criticized for not being on the forefront of hot-button manufacturing issues. It was admittedly*

caught off-guard on issues relating to RFID. But the tidal wave of sustainable practices worldwide seems well within the agency’s grip. The DoC has gotten the message that future global competition could start with a capital S for sustainability.

Now it is up to the packaging industry to transform that message into actions of its own. PS

The U.S. Goes Wanting
The U.S. Department of Commerce’s new sustainable production policy recognizes the following needs of U.S. industry:

- U.S. industry does not have the tools it needs to respond to evolving production processes
- There is a large need for industry research that provides a quantitative foundation for decisions
- There is a need to quantify the cost of sustainable production and its profitability potential
- There is a current lack of information

Sustainability Assistance Available Online
The U.S. Department of Commerce is publicizing key industry and government partnerships designed to promote sustainable development worldwide.
Its new website, www.sdp.gov, provides information on U.S. efforts to work with other governments, the private sector, civil society, and other organizations to plan and implement voluntary partnerships that promote economic growth, social development and environmental stewardship.

COSTCO TO PUSH PACKAGE SUPPLIERS FOR RENEWABLE-RESOURCE, ALTERNATIVE MATERIAL FORMATS

Recyclable, paper-based security packages from **MeadWestvaco** and **Winterborne** have begun to pry open the retail clubstore market, a longtime stronghold of PVC-based clamshell packaging, as big-box retailers look to renewable-resource-based and more eco-friendly packaging.

Costco, Issaquah, WA, will be one of the first to use the alternative package format. The retailer recently updated its corporate philosophy to include the protection of natural resources. Similar to **Wal-Mart** initiatives in scope if not scale, Costco is asking suppliers for sustainable packaging solutions and searching for more environmentally friendly packages for its 473 warehouse stores. "We're looking at a number of different items all at the same time to achieve the best configuration that's available," said Scott Carnie, general manager of Costco East Coast Packaging, Monroe Township, NJ.

Costco has started changing out some plastic blister packs with MeadWestvaco's *Natralock* clamshells. Those packages are constructed from two pieces of SBS paperboard that seal a bubble of amorphous PET and provide billboard graphics.

Winterborne, Chatsworth, CA, launched a paper clamshell, called *EnviroShell*, in November and has sold packages to such consumer electronics producers as **Microsoft**, said Howard Mallen, Winterborne evp. *EnviroShell* uses corrugated paper instead of paperboard for its hinged packaging. It is converted in alliance with Chicago-based **Smurfit-Stone Container**.

Mallen will discuss the growth of sustainable, paper-based blister and clamshell

Packaging Goes Back To School

As part of its baker's dozen of sustainability initiatives, Wal-Mart/Sam's Club has suppliers going back to school to learn an extended version of the packaging specifications alphabet.

- **Renewable:** Use materials made of renewable resources or materials that biodegrade or compost.
- **Reuse:** Materials should be reused when it is economical, have a smaller environmental footprint, or allow multiple uses.
- **Recyclable:** Use materials made of the highest recycled content without compromising quality and use post-consumer recycled content where appropriate.
- **Remove:** Eliminate unnecessary packaging, extra boxes, or added packaging layers.
- **Reduce:** Right-size packages, optimize material strength, and design packages appropriate for contents and merchandising requirements.
- **Revenue:** Achieve all of the above principles at cost parity or cost savings.
- **Read:** Packaging suppliers can provide a link to a Web site to find educational information.

Tyler Elm, Wal-Mart senior director of corporate strategy and business sustainability, will deliver one of two keynote addresses at the Sustainable Packaging Forum, Sept. 26-28 in St. Paul, MN.

packages at the Sustainable Packaging Forum, Sept. 26-28 in St. Paul, MN. In a pre-show interview, he said clubstore presence will play a huge role in the growth of sustainable packaging. Winterborne's packages already are used by major clubstore chains, including Wal-Mart/Sam's Club. Those chains like the fact *EnviroShell* contains 65 percent recycled corrugated material instead of the difficult-to-reuse PVC plastic, he said.

"There has s been a paradigm shift in the clubstore market, with the whole greening of America and the big push from Wal-Mart that has trickled down to other retailers," Mallen said.

Costco's Carnie admitted that the industry is fluid and will continue to be challenged by new developments that emerge. Costco also is considering the use of biodegradable materials for some packages. "What may work in the beginning may change if other materials are more acceptable," Carnie said. [PS]



Costco will roll out five products in Natralock during the next few months, starting with ink cartridges from Lexmark International, Lexington, KY, said Chris Nippert, market segment manager for Natralock, Richmond, VA.