
Industry Report Released

In early March, at the Publishing Business Conference and Expo in New York City, the Book Industry Study Group (BISG) and Green Press Initiative (GPI) released the results of a collaborative effort to study the environmental footprint of the book industry. This first of its kind study, *Environmental Trends and Climate Impacts: Findings from the U.S. Book Industry*, was produced with the support of a number of industry sponsors, including Malloy. Our President, Bill Upton, was an active member of the Environmental Committee, the group formed by BISG and GPI to oversee the study and its publication.

The study draws from a benchmarking survey of publishers, printers and paper mills that establishes a baseline for tracking both climate impacts and environmental improvements in the U.S. book industry. The report describes an environmentally conscious book industry, where all sectors - publishers, booksellers, printers and paper suppliers - are deeply committed to improving their environmental impact and taking innovative steps to realize that commitment.

The report highlights trends for a wide variety of environmental indicators for the book industry, including a break down of the sources of greenhouse gas emissions from the industry. The study discusses the risks of using paper from controversial sources and highlights several case studies of companies that are taking proactive measures to minimize their environmental impacts.

Among many key findings, the report reveals a significant increase in the use of recycled paper throughout the industry, and the first estimate of the industry's total carbon footprint.

Some of the key points that hit home with us:

- Promote sustainable forestry certification. We strongly believe it is important to follow the standards set forth by either the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI) to ensure that forestry practices protect endangered species, endangered forests, and high conservation value forests. This is why Malloy has met the qualifications for FSC and SFI chain of custody certification, and we will be receiving our licenses from these organizations shortly.
- Recycle all scrap paper and scrap books. Methane is a powerful greenhouse gas, and methane emitted from books discarded in landfills is a major contributor to the industry's "carbon footprint." Thus, recycling unwanted books and paper waste is an important way to improve our impact on the environment. We are proud of our record at Malloy in recent years to recycle over 98% of the solid waste generated in our plant. In fact, Malloy is a case study for recycling in the BISG/GPI report.
- Use recycled paper. Though paper is made
(Report - continued on page 4)

Inside This Issue

Industry Report Released	Page 1	Paper Market News	Page 3
Electronic Exchange Q & A	Page 2	Helpful Hint	Page 3
Malloy Quarterly Online	Page 2	Malloy in the News	Page 4



This column appears regularly in the Malloy Quarterly. It is intended to be the source of helpful information regarding issues and challenges facing our electronic workflow of today. If there is a topic you would like to see covered, please contact steph_barker@malloy.com.

Electronic Exchange Follow-up

In the last issue of the Malloy Quarterly, Fall 2007, we did some Q & A and one of the topics we covered needs some clarification. So, we will pose the question again, this time with a slightly different answer.

What hardware / software challenges lie ahead?

Macintosh computers made the transition to Intel chips early in 2007. This change affected all printers and designers who use Macs on a regular basis. The biggest change is that the Intel Macs do not run "Classic", an emulated OS 9 operating system. As Malloy and other prepress service providers phase out old computers and upgrade to new hardware (including Intel Macs), we will soon have limited OS 9 capacity and will only accept native documents from Quark (6.5 or later) and InDesign (version CS2 or later), along with PhotoShop and Illustrator for graphics and covers. At Malloy, we have many archived titles from previous printings that were built using Macs running OS 9 or older operating systems. When we make reprint changes to these titles, we will save the updated documents in the current versions of the supported programs. Users of FrameMaker and PageMaker for the Macintosh should look into converting their files into a supported program, or plan on supplying us with PDF files going forward. These changes allow us to stay current with the changing technology. Please check our website and the Prepress Guidelines Fact Sheet often for any updates and changes.

And here is another commonly asked question that we didn't have room for in the last issue:

Can we show crop marks on our soft proofs?

No, once we position individual pages within the RIP-ready PDF file in respect to 'margins', we crop and save the PDF to final trim plus 1/8" bleed allowance on all four sides. When we crop the pages down to final size plus 1/8" bleed allowances, we lose the crop marks. This is done deliberately to prevent the possibility of crop marks imaging on the plate and ending up in the printed books. Because we work in a true ROOM workflow, (Rip Once Output Many), we RIP the 'cropped' file and make proofs from the same RIP'ed data that we use to image the plates.

Malloy Quarterly Online

The current issue of the *Malloy Quarterly* is now available online. You may continue to receive a hard copy of the *Malloy Quarterly* in the mail or, you may view it on our website at your convenience. A PDF file is accessible on the Malloy website. You will need Adobe Acrobat Reader and Internet access.

To access the *Malloy Quarterly* online go to the

Index", then "Malloy Quarterly", and then "View Current Issue".

If you would like us to email you with a link directly to the current issue on our website as each issue is made available, please email steph_barker@malloy.com or let your Sales or Customer Service Representative know that you wish to view the *Malloy Quarterly* online. ■

Paper Market News

The cost of paper, like most commodities, is on the rise. Prices for many of the sheets we stock at Malloy are going up anywhere from \$1.00 to \$5.00 per-hundred-weight (CWT). Depending on page-count, trim-size, quantity, and grade of paper, the impact on the bottom-line could result in an increase of between .5% and 3%.

We recognize that this is not good news, and that you may be wondering why the price of paper is going up so much at this point in time. In anticipation of your concerns, we spoke with our primary paper suppliers and some industry professionals to gain a better understanding of the current paper market.

The consensus opinion is that the primary factors driving the surge in paper prices are the growing imbalance between supply and demand, the escalating cost of the raw materials used to make paper, and the rising cost of freight.

Supply and Demand

Paper mills are operating at close to peak capacity now. Though the demand for uncoated free-sheets (UFS) has decreased a bit in the last year, overall paper making capacity has shrunk by an even greater amount during the same period as a result of several mills being shut down.

Demand is now picking up again with no anticipated increase in capacity. Furthermore, the declining value of the dollar has helped to spur exports of paper and dampen the supply of imported paper.

It also bears mentioning that book paper represents less than three-percent of all paper made worldwide; we (the book industry) don't have a lot of clout in the paper market.

Raw Material Costs and Freight

The cost of pulp (the primary component of paper) is up by as much as 30% over the last two years for some grades of paper. Most paper mills purchase some amount of pulp on the open market. Depending on the grade of paper and the amount of purchased pulp that is required to make certain grades of paper at a particular mill, the overall impact on cost can vary greatly. Other additives to making paper such as starch, optical brighteners and clay pigments cost more today than they have at any time in recent years.

And, as we all know, freight costs are up, and the energy intensive nature of making paper has an obvious correlation with price at a time of record high fuel costs.

PCW Fiber

The sheets that are going up the most in price are made with PCW (Post Consumer Waste) fiber. Demand for paper containing PCW fiber is growing, but the supply of PCW fiber is not increasing appreciably in North America. In fact, PCW fiber is a rapidly growing export to Asia. Thus, the classic result of a positive shift in the demand curve with no corresponding shift in supply is an increase in price. Add in all of the factors cited above, and the pricing outlook for recycled paper is costly and challenging from a buyer's perspective.

As these economic factors remain volatile, we believe the outlook for further paper price increases is a possibility later this year. We will continue to closely monitor the paper market and keep you posted. ■

Helpful Hint

We do judge books by their covers. That's why there are so many ways available to enhance your cover. At Malloy we offer coatings ranging from U.V. to film lamination, finishes from matte to spot gloss to glossy, attributes from layflat to scuff-free, not to mention foil stamping and embossing.

A word of advice about the use of matte film

lamination on a dark colored cover: The combination of regular matte film lam and dark covers are prone to visible scuffing. We recommend using a scuff-free matte film lam when your cover is dark. This will reduce the chance for unsightly scuffing. When in doubt, we are happy to assist you in making the call on which film lamination to use. ■

Malloy in the News

Malloy was in the news again, this time in the December 2007 issue of *Book Business*. In the GeneTherapy feature, Eugene Schwartz, publishing industry analyst and writer, crafted a collection of helpful tips for successful book production. Malloy's Bill Upton, Joe Upton, and Dave Booth, as well as other industry principals, contributed.

The article covered a number of issues, from good old fashioned communication to the latest use of technology in manufacturing and the exchange of data. Bill and Joe stressed the importance of planning ahead and thorough job preparation, and building long-term win-win relationships with printers. File preparation, transmission and soft proofing were

also discussed as ways to streamline workflow.

Dave Booth, Malloy's IT manager, discussed the emergence of online tools to exchange data for job specifications, scheduling, invoicing, pricing, packing and shipping instructions, etc. Workflow efficiencies are enhanced through the use of the online and electronic tools that are currently available.

The entire article is full of worthwhile tips that we hope you can use. You can view the article by going to the Malloy website, www.malloy.com, and clicking on the link on the right hand side of our home page under What's New at Malloy: GENETHERAPY: 12 Profitable Book-Production Tips for Publishers and Printers . ■

(Report - continued from page 1)

from a renewable resource – trees - any time we use paper containing some amount of recycled fiber, we need to harvest fewer trees. We offer several choices of paper containing recycled material, with options for post-consumer waste content (PCW) ranging from 15% to 100%.

During his involvement with the Environmental Committee, Bill Upton did a considerable amount of research into some of the major topics dealt with in the report. Bill strongly supports many of the report's findings and recommendations, but he disputes the method used to calculate the industry's carbon footprint. He believes the method used in the report significantly overstates the carbon footprint of the book industry because it fails to account for the fact that paper is made from a renewable resource. The report assumes that timber re-growth is zero, when, in fact, North Ameri-

can live timber volume has been increasing steadily over the past 50 years. A complete explanation of his views and the data upon which they are based can be found on the Malloy website at: www.malloy.com/carbonanalysis.

If you are interested in learning more about the ecological impact of our industry, we recommend that, in addition to reading the BISG/GPI report, you also look at a publication released in February by the Association of American Publishers (AAP) called the *Handbook on Paper and the Environment*. When taken in combination, the two reports present a comprehensive picture of the environmental issues facing the book industry.

A copy of the BISG/GPI study can be obtained through either the BISG website, <http://www.bisg.org>. or the GPI website, <http://www.greenpressinitiative.org>. For a copy of the AAP report go to their website at: <http://www.publishers.org/>. ■

Phone 800 722-3231

Malloy Incorporated
 5411 Jackson Rd./Box 1124
 Ann Arbor, MI 48106
www.malloy.com

Fax 734 665-2326

New York

Chicago

San Francisco

Printed on 60# Glatfelter Thor Plus



Containing 15% PCW