

## Remarks for the North American Rail Shippers Association

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### Abstract

*In this address to the members of the North American Rail Shippers Association interested in MWV's outlook for the future of the paper and packaging industry, Mr. Buzzard provides a sweeping look at MWV's operations – including the important of rail to the company's supply chain – as well as the outlook for shipment activity in the near future.*

*In opening remarks about MWV, Mr. Buzzard stresses the importance of an efficient and cost-effective supply chain in order to be competitive in the global marketplace. He notes that MWV has reduced rail shipments in favor of expanded truck loads in recent years, in part due to the fact that the cost of transporting a roll of paper from Covington, VA to Norfolk, VA can be as expensive as shipping it across the ocean and to foreign consumers.*

*Mr. Buzzard describes overall trends in MWV's paperboard business as well as the broader packaging industry, noting that shipments were down in 2009 but rebounded in the first part of 2010. Despite the recent positive trend, Mr. Buzzard explained that MWV's outlook for the future is still cloudy – and that it may remain so with a prolonged period of economic softness.*

*Mr. Buzzard concludes with a discussion about recent government policy and the effect these policies will have on the ability to compete in a global economy. Mr. Buzzard describes the negative effects of the stimulus package, healthcare bill, and proposed energy bills, which would limit CO2 emissions. He finishes by suggesting that policies that promote investment and growth are of vital importance to the manufacturing industry, which represents over eleven percent of U.S. GDP.*

### Excerpts

*"These are the kind of steps we have to take to remain competitive. Supply chain efficiency is one of the pillars of our strategic cost management initiative – something we began in 2008 and accelerated as the economy deteriorated through last year."*

*"Taken together, these and other policies threaten our nation's global competitiveness and will, in turn, be a disincentive to much needed business investment and job creation."*

*"MWV has made a voluntary commitment to reduce direct carbon emissions at its major US manufacturing facilities as part of the Chicago Climate Exchange – and we are on track to significantly exceed our reduction commitment by lowering emissions 20%."*

*"Government policy should foster an environment that encourages industry to create jobs in the U.S. and to invest in growth and innovation."*