

Paper Shortages: What's Behind the Problem and What Can We Do?

Over the past couple of weeks, we have been contacted by many owners looking for the latest information on the paper shortage. Calls ranged from looking for help searching for paper, to learning what other printers are experiencing, to questions of survival. Strangely, these calls are not too dissimilar from those that we received during the early days of

and (2) every Sunday there will be a printed bulletin at the end of Mass. Last Sunday was the first time in my life that there was no bulletin. The printer could not find paper! While not the greatest example of the current crisis, the reality is that the paper shortage is beginning to impact everyday life.

aging equipment, rising labor costs and restrictive environmental regulations which made doing business a losing proposition. During these same years, some of the more efficient and profitable North American paper mills converted to board stock in support of the growing packaging industry. The result was a reduction in capacity...occurring before the pandemic. This shortage was largely filled by overseas mills.

steady flow of raw materials and parts for print were no different than other businesses. They were also at standstill, but many of their operations take much longer to ramp up to meet demand than a printing company does. For instance, I learned that it can take six months to bring a mill back online. We could point a finger at our government leaders and say that they should have planned to sequentially bring business back piece by piece, but the backlash from those businesses that would have been at the end of the spectrum would have been devastating.



COVID when we all faced closing down nonessential operations. The common thread is how to deal with the unknown.

In my personal reality, I am a consumer of print and, other than through work-related calls, etc., the effects have been relatively unnoticed. Sunday, March 13, the effects were suddenly more noticeable. I am Catholic, and there are a couple of things that are fundamental to the Catholic church: (1) There will almost always be a collection,

What's behind the problem?

After talking with members from all facets of the industry and doing some investigation of my own, I offer the following for consideration:

A. The current problems really had their start many months and years ago. If you recall, a few years ago, some North American paper mills closed, in part because they could not compete due to

B. Even before (A) occurred, best practices for production called for "just in time" concepts to create more efficient and cost-effective production. Over the years, most printers decreased the amount of inventory held and relied on the paper merchants to warehouse and deliver paper within days or hours of need. Just in time works when all segments of the supply chain are functioning, but one kink throws the entire chain into disarray. Unfortunately, it appears that there are several kinks in the supply chain which are creating the current issues.

C. Coming out of the pandemic, the supply chain problems that seemingly exploded during the pandemic were still there, and had become even more obvious. During the "cycles" of the pandemic, the focus was on reopening the economy. The reality is that we went from a standstill in production to 100 mph overnight. We, and every other manufacturer, blew through existing inventories. Unfortunately, the operations that provided the normal

D. The ports, while improving, are still a problem. The word from Sacramento is that the legislators are seeing statistics that show the flow of goods through the ports to be improving (which is not the same as "normal") and have lost their focus on the issue. I suspect many of us in Southern California look out at the harbor and do not see as many container ships as before, and we might assume that the flow has increased rapidly. However, you may remember that in order to address the complaints of pollution from the harbored container ships, the port authorities began staging ships 150 miles offshore. As such, I question the extent of improvement in the flow of goods. We just are not seeing the physical evidence of ships piling up in the harbor.

E. The latest news is that there is now a container problem on the other side of the Pacific. Apparently, there are not

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GOVERNMENT & LEGISLATIVE

State Happenings by RJ

This month I'd like to address two subjects: Legislation, and politics and the upcoming election.

What's happening on the legislative front

We are now entering the time of year in which members of the legislature—starting with the policy committees in the Senate and Assembly—will debate the merits of over 3,000 pieces of legislation. Here are a few samples of the legislation that we expect to see go through the process in the next couple of months:

• **CCPA business protection extensions** – When the California Consumer Privacy Act (CCPA) was originally passed in 2018, a debate raged regarding how to protect businesses when handling employee information as well as data related to their vendors and customers. At the time there was an agreement to provide some protections, but only for a limited period of time.

Now the legislature will be debating multiple measures (which will likely eventually be consolidated into one measure) to extend protections for businesses. Something needs to be passed by January 1, 2023. We expect this to happen, but the details regarding the length of time and protections offered are still up in the air.

• **Bereavement leave** – On the human resources front, we have already seen one bill introduced which would grant employees up to five days of unpaid time off for bereavement leave, or the ability to use certain other paid leave balances for bereavement purposes. Under AB 1949,

this unpaid bereavement leave would be on top of existing paid sick leave and the state's new COVID-19 sick leave.

• **Four-day work week** – We are also expecting, although the details have not yet been released, a bill that would mandate a four-day work week in the state of California. While we do not expect the bill to pass, it will certainly generate a lot of controversy.

What's happening on the political side?

• **Early retirements** – There have been a rash of early retirements in the California legislature. This is due to a number of factors, including redistricting as well as available open seats for other political positions. Some legislators have simply announced that they are not running for re-election in 2022; others have retired and created an immediate vacancy.

What this means is that we are about to embark on a monumental shift of the legislature's roster of members. At this point in time it looks like at the beginning of 2023 there will be between 25 and 30 new legislators taking over the vacated seats. This is in addition to any seats that change during the election.

• **PAGA initiative** – We will also see a very busy ballot initiative season in 2022. This includes an initiative which would ban the Private Attorney Generals Act (PAGA), which has led to numerous frivolous lawsuits against businesses throughout California. The California Chamber of Commerce, the California New Car Dealers Association and the California Restaurant Association are leading the charge to eliminate PAGA at the ballot. Let's all support them!

HUMAN RESOURCES

Understanding the ADA's "Direct Threat" Clause

Under the Americans with Disabilities Act (ADA), employers are prohibited from discriminating against applicants and employees on the basis of disability. However, there is an exception to this prohibition. If an employer can establish that an individual with a disability poses a "direct threat to the health and safety" of themselves or others in the workplace, then that individual is not covered by the ADA for that situation.

That said, proving that an individual poses a "direct threat" is not easy. Very specific and stringent requirements must be met. Here's what you need to know...

According to the Equal Employment Opportunity Commission (EEOC), in order to establish that a "direct threat" exists, as the employer you must be able to show all of the following:

• **That there is a significant risk of substantial harm.** Note that you are not required to provide proof of an actual direct threat. You just need to show that you "reasonably determined" that a direct threat was posed.

• **That a specific, current risk has been identified** and you have articulated how the disability impacts this risk. Which specific job requirements would be impacted and how? Note that this risk cannot

be either speculative or remote. For example, you cannot assume that the person's physical health will get worse over time. You can only deal with the here and now.

• **You conducted an individualized assessment** of the person's ability to perform the essential functions of the job. For this assessment you looked specifically at four factors: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the imminence of this potential harm.

Your risk assessment must be based on objective medical or other factual evidence regarding the individual. In addition to a medical review that goes deeper than the person's answers on a medical history form (such as by requesting information from the person's physician), you should also consider information specific to this person, such as how their disability-related needs were handled in previous jobs or positions.

• **The risk cannot be eliminated or reduced to a lower level** through a reasonable accommodation.

Needless to say, since "direct threat" decisions are often litigated, you should thoroughly document every step you take in this area.

BUSINESS MANAGEMENT

Free Business Writing Resources

From emails and memos to proposals, blogs and more, there's a good chance you do some writing in the course of your work. These great free resources can be helpful for anyone who needs to write as part of their job.

Find the perfect word

• **Word Hippo** (www.WordHippo.com) is like a combination thesaurus / dictionary on steroids. In addition to providing synonyms, antonyms and definitions for a given word, Word Hippo also provides rhyming words, sentence examples, pronunciation and more.

Find related words

• **Related Words** (<https://RelatedWords.org/>) helps you

find words that are related to a specific word or phrase. This is different than a thesaurus, which provides words with a similar meaning. For example, if you enter "photography," a thesaurus will give you options such as "picture taking" and "camerawork." Related Words will list synonyms as well as things like "camera," "exposure" and "photographer."

Make your writing easier to understand

• **The Hemingway App** (<https://HemingwayApp.com>) is especially helpful if you want to bring down the reading level of your blog or newsletter article. Copy and paste your text onto the page and it will highlight the use of passive voice as well as

difficult-to-read sentences, and words and phrases that can be simplified.

Find out what's trending in your field

• **Exploding Topics** (<https://ExplodingTopics.com/>) analyzes millions of searches, conversations and mentions across the internet to identify topics that are gaining traction in a given field.

See what people are asking about

• **Answer the Public** (<https://AnswerThePublic.com>) uses search engine data to give you a list of questions that people are asking regarding your keyword—helpful for thinking of blog topics. Note that the free version only allows two searches per day.

Save time with keyboard shortcuts

• Copyblogger's article (<https://bit.ly/KeyboardS234>) provides 21 useful keyboard shortcuts for both PC and Mac users, from bolding or underlining text to doing a print preview.

Create eye-catching graphics

• **Canva** (www.Canva.com) is a terrific online tool that makes it possible for people with no graphics training to create great-looking social media posts, documents and more. The free version includes a huge variety of templates and stock images. A paid version offers even more options.

Source: Plumtree Marketing, www.PlumtreeMarketingInc.com

FEATURE ARTICLE

Continued from front

enough containers (and vessels) to ship the materials being manufactured and purchased by the US markets. I was told that the Korean paper mills are producing at max capacity but cannot find enough containers to ship their inventory. I assume that is because the containers are all stuck on ships waiting to be unloaded, here in Southern California and at many other ports around the world.

F. Logistics is clearly an issue, and we need to remember that we are competing for the same container space as the likes of Walmart, Amazon and others.

G. There have been claims that some printers are hoarding paper. I think one would have to evaluate these claims on the basis of whether a printer is ordering inventory in advance of need (which is currently a much longer order time) or whether a printer is holding inventory and attempting to resell it at a profit. The first is a good business decision; the second is not helpful.

I know it sounds preposterous, but, in the longer term, I worry about what happens when the supply chain catches up and we suddenly realize that there is an oversupply of paper. Paper prices crash. Buyers demand lower pricing. We return to the lower margins except

that now, most of us have to worry about inflation-adjusted labor costs.

I do not profess to be a supply chain expert, but if you consider the above, you have to conclude that the paper shortage is not the fault of any one part of the supply chain. The current problem is global, and it is not isolated to the US. It is a deficiency whose root cause is found in a collection of unique and untimely events.

What can we do?

I wish there were a concrete solution that would quickly remedy the situation, but I have not found one, and the current global issues are only adding to the

negative situation. However, the best advice is the following:

Plan ahead and stay current on lead times.

Communicate with your suppliers; they are critical partners in your success.

Remain flexible; while easier said than done, flexibility is the nature of the times.

Clearly, for the industry to survive, every facet of the supply chain has to work in unison. In simple terms, we have to work together versus at odds with each other.

Lou Caron, President, PIASC

NATIONAL NEWS

Let Us Help You Lower Your Shipping Costs

In November 2021 the New UPS® Savings Program was re-established. The result: In just two months, PIASC members saved a whopping \$25,381.52! From small packages to pallets—or anything in between—there are a variety of shipping services and tools available that can help you create efficiencies, cut costs and increase productivity. With more flexibility and expertise, you'll have peace of mind that you're shipping the best way for your business.

How to take advantage of these savings

Either sign up for a new UPS account at www.piasc.org/members or, if you already have a UPS account, simply use the same link to re-enroll and apply the member-only savings to your existing account.

Member savings include:

- **Domestic Next Day / Deferred:** 50% off
- **Ground Commercial / Residential:** 30% off
- **International Imports / Exports:** Up to 50% off
- **UPS Smart Pickup® service:** Free

Easily insure your small packages:

One of the biggest frustrations with shipping is when a shipment gets damaged or doesn't arrive at all. You waste time chasing carrier payments and often times can end up empty handed.

Now, you have access to Flexible Parcel Insurance for your UPS® shipments. All you have to do is enter the value of the goods in the declared value field of your UPS®-approved shipping system and you are on your way to better shipping

experiences. Combat common shipping mishaps with the small package insurance offered through UPS Capital®!

With continued supply chain challenges and labor shortages, businesses have the extra pressure to deliver on the promise of excellent service. However, with protection, like the small package insurance offered through UPS Capital®, you can combat common shipping mishaps. Simply enter the value in the declared value of your

UPS® approved shipping system and you are on your way to better shipping experiences.

Additional member resources: On-demand webinars

Gain insight from industry experts to help you find inspiration, navigate challenges and operate more efficiently. Access the webinars at <https://bit.ly/3u6JB20>

On Our Radar

Recently added to the list of proposed regulations and other issues that we're following:

CCPA exemptions – Multiple bills, including AB 2871 and AB 2891, have been introduced that would extend the temporary employment and business-to-business exemptions that are currently being applied to the California Consumer Privacy Act.

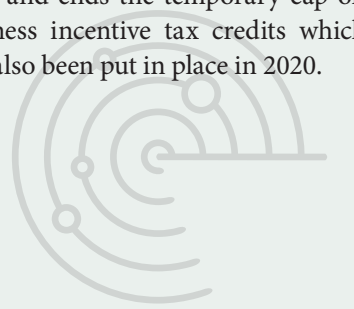
Updates to things we've been following:

Mandatory COVID-19 vaccines – AB 1993, which would have created a COVID-19 mandate at all workplaces statewide beginning on January 1, 2023, has been shelved.

Mandatory arbitration – President Biden has signed H.R. 4445, the "Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act of 2021" into law. Even in situations where an employee has signed an otherwise enforceable arbitration agreement, companies can no longer require arbitration in

situations where there are allegations of sexual assault or sexual harassment.

Net operating loss (NOL) deductions – SB113 has been signed into law. Among other things, SB113 restores the business NOL deduction which had been temporarily suspended in 2020 and ends the temporary cap on business incentive tax credits which had also been put in place in 2020.



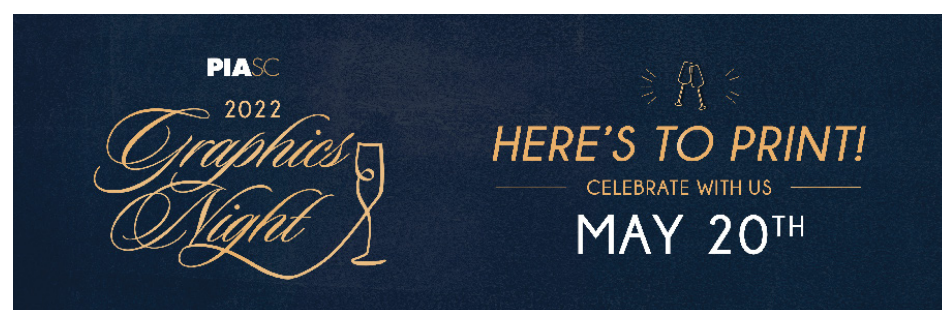
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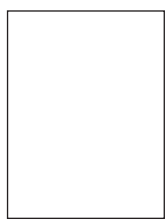
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CLASSIFIEDS

Shed full of equipment located in Kennewick, Washington State - Collection of antique printing equipment from a paper cutter dating back to the 1880s, platen presses dated to 1890s, a pin ruling machine, type cases etc. Looking for an offer on the entire shed full. Contact Skip Novakovich at skip@novakovichllc.com or (509) 366-7858.

Want to place a classified ad? Contact Wendy Ferruz, 323.728.9500, Ext. 262, wendy@piasc.org



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PIASC Events Calendar

APR 14	WEBINAR: The Top 10 Sales Apps Thursday, April 14 Online www.piasc.org/events
APR 20	Print is On A Roll 2022 Portland - Grand Central Bowl & Arcade 808 SE Morrison Street Portland, OR 97214 6:00 pm - 9:00 pm Register today at piasc.org/events
APR 27	Print is On A Roll 2022 Seattle - Bowlero South 100 Andover Park West, Tukwila, WA 98188 6:00 pm - 9:00 pm Register today at piasc.org/events

MAY 20	Graphics Night 2022 Friday, May 20 City of Industry, CA www.piasc.org/graphicsnight
AUG 17-19	America's Print Show 2022 Wednesday-Friday, August 17-19 Columbus, OH www.americasprintshow22.com

For full list of workshops and virtual classes, please visit www.piasc.org/events

PIASC Native.news
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