

**New York State
Environmental Investment Program
Capital Project Summary
Bennington Paperboard**

Project Background

Bennington Paperboard Co. (BPC) is a paper recycling mill located in North Hoosick, NY that was purchased by the Newark Group in 1995. The mill produces over 30,000 tons/year of 100 percent recycled boxboard and employs 71 people. For customers of the Newark Group, purchasing all products from one or two mills is more cost-effective due to volume discounts. And, because the mill is very flexible in terms of the variety of products it makes, BPC enables the Newark Group to offer a complete line of products to customers buying multiple grades. Nonetheless, BPC was a high-cost producer in comparison to other Newark Group mills. By 1998, the Newark Group was evaluating its options, one of which was to close the mill. To reduce costs, BPC management developed a strategy that, among other things, included a capital investment to improve the efficiency of mill operations. One of the most pressing issues was that a significant amount of product was being downgraded due to an inadequate drying system. Consequently, large sections of the finished paper rolls had to be cut and sold as lower grade product.

Project Description

The purpose of this project was to support a \$1.9 million capital improvement at BPC. The investment

enabled BPC to upgrade its equipment so that it could increase production, reduce costs and retain the 71 jobs. The company installed new equipment, enabling it to expand production, improve productivity, and increase its use of recovered paper.

Project Results

BPC has retained the 71 positions, with the only reduction in employment being the result of a tight labor market. The company's performance target to increase annual production by 2,400 tons was surpassed and total actual production increased by 5,524 tons. Furthermore, the target to increase the use of recovered wastepaper by 3,000 tons/year was exceeded, with actual wastepaper usage increasing to 5,705 tons/year.

By making this investment, BPC has improved the quality of the paper products it manufactures to a level that exceeds original expectations. Since investing in the improvements, BPC has been increasing its product line and is now even able to make higher quality grades of white board. Furthermore, the company continues to identify ways to lower costs and remains a significant employer in the Town.

Contractor:	Rensselaer County IDA	NYS EIP Investment:	\$750,000
County:	Rensselaer	Contractor Match:	\$1,050,317
ESD Region:	Capital Region	Total:	\$1,800,317
ESD Contact:	518/292-5340	Completion Date:	October, 2000