SUSTAINING MEMBERSHIP PROSPECTUS

National Council for Air and Stream Improvement, Inc.
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Sustaining Membership Prospectus
National Council for Air and Stream Improvement, Inc.

The National Council for Air and Stream Improvement, Inc. (NCASI) is a 501 (c)(6), tax-exempt research institute created by the forest products industry in 1943 and has since evolved into the premier organization producing scientific information needed by the industry to address environmental and sustainability issues. NCASI operates as a membership association and as such, has historically made its research available primarily to its Member Companies.

What Does NCASI Do?

Research and Information Gathering
Each year, NCASI executes a Technical Studies Program that is guided by industry advisory panels that identify the most pressing environmental issues facing the forest products industry. The program planning process begins with brainstorming by small groups of environmental experts at Member Companies familiar with the industry. The process continues with priority setting by industrial advisory panels representing Member Companies, and culminates in endorsement by the NCASI Board of Governors.

Projects in the Technical Studies Program address issues in

- Air Quality
- Aquatic Biology
- Climate Change
- Corporate Sustainability
- Forestry
- Hydrology
- Recycling
- Risk Assessment
- Solid Waste
- Toxicology
- Wastewater Treatment
- Water Quality
- Wildlife Ecology
- Biological Diversity
- And more...

NCASI staff with expertise in these areas either perform needed studies themselves or oversee research conducted by other experts with NCASI support.
The Scope of NCASI’s Operations

NCASI currently has approximately 100 Member Companies in the United States and Canada and one in New Zealand, all of which manufacture forest products, manage timberlands, or both. In the United States, NCASI Members represent approximately 85% of the domestic pulp and paper production, and approximately 55% of the domestic wood panel production. These market shares have been constant over several decades, despite significant changes in the ownership profile in the industry. In Canada, NCASI has grown rapidly to represent approximately 45% of Canadian pulp, paper, and wood panel production.

NCASI’s annual budget is approximately $16 million, most of which is derived from membership dues. NCASI also undertakes a limited amount of externally sponsored research each year, primarily on forestry-related topics. Sponsors of this externally funded work include government agencies, trade associations, individual Member Companies, consortia of companies, and foundations.

NCASI’s Locations

Montreal, Quebec
Cary, North Carolina - HQ
Newberry, Florida
Anacortes, Washington
Corvallis, Oregon

NCASI employs over 50 full-time scientists, engineers, foresters and support staff throughout the year, with an additional twenty temporary workers hired each summer to execute forestry-related field studies.

Sustaining Membership

For more than 75 years, NCASI has been recognized as a preeminent environmental resource for the forest products industry. We offer the opportunity for companies to access our world-renowned science and resources as Members. Sustaining Membership is offered to consultants, service providers, and vendors that provide technical assistance to the forest products industry and can participate effectively in a dialogue on technical issues facing that industry in the environmental arena.

Sustaining Members receive NCASI’s publications, handbooks, and mailings; have access to NCASI’s Members-only website; are invited to attend NCASI’s meetings along with Member Company representatives; and qualify for limited technical support provided by NCASI scientists and engineers. Sustaining Members pay membership dues based on a portion of revenue generated from their work with NCASI Member Companies.
NCASI’s Value Proposition

The One-Stop-Shop for All Your Environmental Research Needs
Third-party research that is unquestionably relied upon by industry and regulators

Benefits to Sustaining Members

Participation in NCASI Meetings

Sustaining Members may designate up to three employees to attend and participate in NCASI’s regional meetings and technical workshops. At these meetings, NCASI relates its assessment of recent environmental regulatory developments, the impact such developments will have on the forest products industry, and the results of NCASI’s $14 million Technical Studies Program.

Sustaining Member representatives are expected to participate knowledgeably in the technical dialogue that takes place at these meetings, including presentations, as appropriate. NCASI and its Members discourage conspicuous business development activities during the meetings because of the distraction associated with such activity; however, participants may highlight the expertise of their companies through their individual comments, discussions, and presentations.

NCASI currently holds two regional meetings each year where regional issues of particular interest to pulp and paper mills and forestry operations are highlighted. Attendance is generally limited to Member Company representatives, regulatory personnel, and a few others who have been invited at the request of a Member Company. Attendance at these regional meetings is dominated by environmental staff representing mills located in the region, although state and federal regulatory personnel also attend in significant numbers.

NCASI hosts a variety of workshops and webcasts during the year, usually addressing urgent or timely environmental issues facing the forest products industry. In recent years, workshops have addressed field sampling methods, Toxics Release Inventory (TRI) Form R reporting, Maximum Achievable Control Technology (MACT) implementation, forest management, and bioassay methods. Sustaining Members are invited to participate in these workshops.
Access to NCASI Publications

Sustaining Members have access to a variety of NCASI publications, described below.

- **Reports:** Results of the NCASI Technical Studies Program are most often published as Technical Bulletins. Since 1943, NCASI has produced more than 1,000 titles in this series, addressing topics as varied as emissions from pulp and paper manufacturing operations to wildlife bioassessments. Ten to fifteen new Technical Bulletins are published each year. Additionally, findings of NCASI special studies in such areas as measurement methods and control technology development are published as Special Reports. All Technical Bulletins and Special Reports are available on NCASI’s Members-only website.

- **Handbooks:** NCASI currently publishes seven handbooks. Three of these handbooks contain emission factors and detailed instructions for reporting toxic substances: 1) Superfund Amendments and Reauthorization Act (SARA) 313 Toxics Release Inventory in the US, 2) National Pollutant Release Inventory, (NPRI) reporting requirements in Canada, and 3) Toxic Substances Control Act (TSCA) Chemical Data Reporting in the US. NCASI also publishes and updates two versions of its Handbook of Environmental Regulations and Control, one for pulp and paper manufacturing and one for wood products manufacturing. Finally, NCASI maintains an Analytical Resources and Methods Manual and a Workplace Health and Safety Methods Guide. These manuals contain detailed method descriptions for several measurement methods specific to the forest products industry that were developed or enhanced by NCASI.

- **Current Awareness:** NCASI issues current awareness memoranda to report urgent or recent developments, such as the publication of a new regulation in the Federal Register. Corporate Correspondent Memoranda cover issues in the US, and Strategic Information Memoranda cover issues in Canada. NCASI also distributes e-Alerts, brief email messages intended to communicate timely news items that may be of interest to its Members.

- **Newsletters:** NCASI currently publishes two newsletters, a US/Canadian Forestry newsletter and a US/Canadian Manufacturing newsletter. Newsletters go out quarterly and communicate recent NCASI research and technical studies, introduce NCASI scientific staff, and alert Members of upcoming events and NCASI organizational news.

- **Meeting Materials:** NCASI provides abstracts and slide copies from all of the presentations made at each of its two regional meetings.
Access to Members-Only Website

NCASI maintains a website (www.ncasi.org) that provides the publications listed above, most of which are accessible only to Members. In addition, the website provides meeting and webcast announcements, webcast recordings, podcasts, and software developed by NCASI (e.g., wastewater treatment performance models, emissions databases, and tools for supporting sustainability initiatives and life cycle assessment).

Sustaining Members are granted full access to these resources on the NCASI Members-only website.

Access to NCASI Technical Support

NCASI prides itself in providing timely and knowledgeable response to requests for technical assistance from its Member Companies. NCASI also provides limited technical support, typically, fielding telephone or email inquiries where NCASI can readily provide verbal answers to inquiries or direct Sustaining Members to existing technical resources. Sustaining Members must agree to use NCASI resources only in work assisting other NCASI Member Companies.

Input to Technical Studies Program Planning

Each summer, NCASI convenes a meeting of Sustaining Member Companies to solicit their ideas and recommendations for projects that might be included in NCASI’s Technical Studies Program plan for the next fiscal year. NCASI staff develops project descriptions based on these concepts, and they are included among candidate projects developed in other venues. NCASI’s Operating Committee reviews these projects and selects those that will be included in the next year’s Technical Studies Program, subject to approval by the NCASI Board of Governors.
Sponsored Research

A Sustaining Member Company, or a consortium of Sustaining Member Companies, may seek to sponsor NCASI’s execution of a research investigation on an environmental topic of mutual interest to NCASI and the company(ies). If NCASI has the manpower and expertise to conduct such research and agrees to undertake the study, it will offer favorable terms to the Sustaining Members sponsoring the work, such as reduced fees or lower indirect cost rates.

Terms of Membership

Eligibility

Companies that are eligible for Regular, Canadian, or International Membership in NCASI are not eligible for Sustaining Membership.

Trade associations are not eligible for Sustaining Membership because of the potential for conflicts arising from different client bases; however, NCASI often seeks close working relationships with other trade associations. Similarly, technical societies, educational institutions, and special interest groups are not eligible for participation as Sustaining Members.

Technical support is labor intensive and fielding numerous requests for detailed assistance by Sustaining Members might overwhelm available resources. More involved technical assistance may be arranged on a fee-for-service basis.

Regular Member Companies manufacture pulp, paper, paperboard, wood-based building materials, and other forest products, or own or operate industrial timberlands in the United States. Canadian Members perform these activities in Canada. International Members perform these activities in locations beyond North America.

A company is eligible to apply for Sustaining Membership if the company:

- Provides environmentally related consulting, testing, analytical, or engineering services to forest products companies eligible for Regular, Canadian, or International NCASI Membership; or
- Sells environmental control equipment or supplies to forest products companies eligible for Regular, Canadian, or International NCASI Membership; or
- Provides legal counsel on environmental issues to forest products companies eligible for Regular, Canadian, or International NCASI Membership.
Application for Sustaining Membership

Companies wanting to join as an NCASI Sustaining Member must complete and submit the following:

- an application form that demonstrates eligibility for Sustaining Membership
- a worksheet that certifies revenue generated

Applications must be approved by the NCASI Operating Committee. Sustaining Members will be expected to sign an agreement to abide by the terms of Membership described in this prospectus.

Annual Membership Dues

Sustaining Member Dues are calculated based on a portion of revenue generated from work with Member Companies; US, Canadian, and International, specifically as it relates to NCASI’s Technical Studies Program.

Work that is included in reported revenue:

- Air
- Water and Aquatic Biology
- Forest Environment and Sustainability
- Sustainable Manufacturing and Climate
- Chemical Management and Health Effects

Examples of what is NOT included in reported revenue:

- Remediation work
- Dredging
- Landfill development and operation
- Chemical Sales
- Commercial laboratory services

* For more information consult the NCASI Sustaining Member Dues Worksheet

Annual membership dues for Sustaining Member Companies are based on company data from the previous calendar year.

### Dues Calculation Methodology and Rates

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Multiplier</th>
<th>Min. Dues</th>
<th>Calculation Formula</th>
<th>Max. Dues</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt; 250,000</td>
<td>--</td>
<td>$6,600</td>
<td>--</td>
<td>$6,600</td>
</tr>
<tr>
<td>$250,000 - $1MM</td>
<td>1.25%</td>
<td>$6,600</td>
<td>$6,600 + 1.25% of Revenue &gt; $250,000</td>
<td>$15,975</td>
</tr>
<tr>
<td>$1MM - $2MM</td>
<td>0.75%</td>
<td>$15,975</td>
<td>$15,975 + 0.75% of Revenue &gt; $1MM</td>
<td>$23,475</td>
</tr>
<tr>
<td>&gt; $2MM</td>
<td>0.25%</td>
<td>$23,475</td>
<td>$23,475 + 0.25% of Revenue &gt; $2MM</td>
<td>$23,475+</td>
</tr>
</tbody>
</table>

* A 1.5% annual increase in dues rates has been approved, and is subject to yearly review by the Board and Regular Membership.

NCASI will invoice Sustaining Members for annual dues in April, at the beginning of its fiscal year. Membership dues will be prorated for companies joining later than NCASI’s fiscal year, according to the following schedule:

<table>
<thead>
<tr>
<th>Membership Initiated</th>
<th>Percentage of annual fee due</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1 through June 30</td>
<td>100%</td>
</tr>
<tr>
<td>July 1 through September 30</td>
<td>75%</td>
</tr>
<tr>
<td>October 1 through December 31</td>
<td>50%</td>
</tr>
<tr>
<td>January 1 through March 31</td>
<td>25%</td>
</tr>
</tbody>
</table>

Sustaining Members are not obligated to commit to more than one year of membership at a time.

A list of all NCASI Members can be found at www.NCASI.org/Membership
Disclosure to Non-Member Companies

Each Sustaining Member Company must agree not to disclose to NCASI non-Member Companies any publication, proceedings, handbook, website contents or password, current awareness memorandum, e-Alert, technical commentary, or other print or electronic information provided to Sustaining Members by NCASI. In particular, Sustaining Member Companies must agree not to provide copies of any NCASI publication to any non-Member Company, and this obligation will remain in force for a period of ten years following any termination of Sustaining Membership. Sustaining Members must also agree not to use NCASI-provided resources, or to seek NCASI assistance, to execute any project work where the client is a NCASI non-Member Company. NCASI will identify its Member Companies to each Sustaining Member Company on request to facilitate this non-disclosure arrangement.

Governance

Companies enrolled as Sustaining Member Companies are not Member Companies of the National Council for Air and Stream Improvement (NCASI) as defined by the bylaws of the organization. Therefore, Sustaining Members do not participate in decision making that provides NCASI direction and oversight; however, Sustaining Members may be invited to recommend candidates for election to the Board of Governors to the Nominating Committee charged with developing lists of such nominees.

Termination of Sustaining Membership

A Sustaining Member Company may terminate its membership at any time by notifying the President of NCASI in writing of such resignation. NCASI will not return any portion of the annual fee for Sustaining Membership to any Member that terminates its Membership before the end of a fiscal year.

NCASI reserves the right to terminate the entire Sustaining Membership program at its sole discretion. NCASI also reserves the right to terminate the Sustaining Membership of any individual Sustaining Member Company if, in NCASI’s sole judgment, the company has not complied with the terms of the Sustaining Membership Agreement or if continuation of the company’s Sustaining Membership is inconsistent with NCASI’s interests. If the entire Sustaining Membership Program is terminated by NCASI, or if an individual company’s status as a Sustaining Member is being terminated by NCASI, NCASI will notify the affected companies in writing and return pro-rata portions of the annual fees paid by each Sustaining Member Company.

The Sustaining Membership Agreement requires that a company whose Sustaining Membership relationship with NCASI is terminated must destroy or return all copies of NCASI publications and documents, electronic or printed, immediately upon termination of Membership. The Agreement also requires that companies whose Sustaining Membership is terminated for any reason refrain from using information or expertise obtained from NCASI for any purpose for a period of ten years following termination of Sustaining Membership.
Invitation to Join

NCASI welcomes the participation of all companies that are eligible to become a Sustaining Member. To assist prospective companies in reaching a decision regarding membership, NCASI’s President will arrange a presentation of the benefits and costs of membership at the offices of any prospective Sustaining Member Company.

To arrange for this presentation, or to request additional information, please contact:

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Cary, NC 27511

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