

# INDA's e-Filter Newsletter

The Filtration Industry's Information Hub

\*\*\*\*\*

**February 3, 2003**

**Volume 4, Issue 2 of the INDA e-FILTER Newsletter.**

\*\*\*\*\*

**Welcome to e-FILTER**, sponsored by INDA, Association of the Nonwoven Fabrics Industry ([www.inda.org](http://www.inda.org)). It is sent monthly to executives within the global filtration business and focuses on the latest news, new products, patents, legislative issues and commentary in the filtration industry. Check out the information at the end of this newsletter on how to subscribe or submit your company's information for inclusion.

\*\*\*\*\*

## ***In This Issue:***

### **Small Filter Product Beats Out Big Boys For Visionary Award**

#### **Industry News**

**SPX To Acquire Hankison**

**Pall New Product, FDA Clearance, Supplier Award**

**BGF Industries Doesn't Meet Interest Payments**

**Osmonics Receives ISO 9001:2000 Registration**

**Kronos Signs Deal With Gulfstream Aerospace**

**Centrex and Emergency Filtration In Strategic Alliance**

**Western Nonwovens Begins Capital Investment**

**Genesis Marketing Filter Technology In China**

**Federal Government Concerned About Fake Environmental Tests**

**Portland Council Questions Water Filtration Process**

**U.S. Earmarks \$8 Million For PR Water Filter Plant**

**EPA Lowers Sulfur Levels**

**PuraDyn Names Jacobs Quality Manager**

**Cummins Appoints Director of Indian Business**

## **Apel Acquires Eurofilter Division**

### **Financial News**

## **Water Pik Announces 2002 Sales**

### **In The Press**

## **What's New In Air Filters**

\*\*\*\*\*

### **LEAD STORY**

#### **SMALL FILTER PRODUCT BEATS OUT BIG BOYS FOR VISIONARY AWARD**

The innovative Civilian Quick Escape Mask, produced by a small San Diego-based company called FMJ ChemBio, was the surprise recipient of the 2003 Visionary Award presented at the Vision 2003 Consumer Products Conference sponsored by INDA last week in New Orleans.

The Civilian Quick Escape Mask is marketed as an aid to protect individuals against harmful smoke and biological or chemical inhalation. The QEM is the first mask that simultaneously filters chemical and biological substances, providing 15 minutes of escape time from emergency situations. The award, which was voted on by the 500 attendees at the annual Vision Conference, was accepted by FMJ President Fred Jameson.

FMJ beat out five other finalists for this prestigious award, including Purolator for its Puropleat Ultra home air filter. Other finalists were ThermaSilk Intensive Conditioning Heat-Activated Hair Wrap, Helene Curtis; Huggies Supreme Diapers, Kimberly-Clark; The Neat Sheet, Kimberly-Clark; and ThermaCare, Procter & Gamble.

For more information on the Vision 2003 Consumer Products Conference, go to [www.inda.org](http://www.inda.org).

\*\*\*\*\*

### **INDUSTRY NEWS**

#### **SPX TO ACQUIRE HANKISON**

SPX Corporation will acquire certain assets and subsidiaries of Hankison International from Hansen Inc. Based in Canonsburg, PA, Hankison is a manufacturer of compressed air dehydration and filtration products with annual revenues of more than \$60 million. SPX's Flair unit manufactures filters and dryer products and it will integrate the Flair

and Hankison product lines to form a strategic platform in compressed air dehydration and filtration products and services. The new business unit will be named SPX Air Treatment.

With this acquisition, SPX Air Treatment will become a global supplier of compressed air treatment products and services with three distinct market focuses: Engineered Products, consisting of the Pneumatic Products, Delair and Kemp brands; Process Filtration comprised of Airpel, GD Engineering, Dollinger and Plenty Filter brands; and Industrial Products including Hankison International, Deltech and General Pneumatics.

### **PALL NEW PRODUCT, FDA CLEARANCE, SUPPLIER AWARD**

Pall Corporation has been in the news quite a bit in the first month of the year.

- ☞ New technology from Pall solves the vintners' dilemma of keeping yeast out of a wine bottle without affecting the taste or color. The Pall OenoPure filter removes organisms that can adversely affect wine quality and shelf life without altering color or taste. The filter removes harmful contaminants during the critical filtration step before bottling. At the heart of the filter is a proprietary inert membrane that minimizes interaction with the wine and thereby preserves its characteristic flavor and color.
- ☞ The FDA last month granted Pall clearance to market a pre-donation, blood Sample Diversion Pouch on its Leukotrap blood collection and filtration systems. The Sample Diversion Pouch is used to divert the initial volume of blood during collection, which can contain the highest levels of bacteria.
- ☞ Finally, Pall was selected by VWR International to receive its 2002 Supplier of the Year award. This award is the global laboratory products company's top honor and Pall received the award for outstanding product quality, customer service and technical support.

### **BGF INDUSTRIES DOESN'T MEET INTEREST PAYMENTS**

On January 13, BGF Industries announced that it did not have sufficient cash available to make the required interest payment on its 10 1/4% Series B Senior Subordinated Notes due on January 15, 2003. Failure to make required interest payments constitutes an event of default if not cured within 30 days. BGF is currently working on some alternatives that would allow for this payment to occur on or before Feb. 14, 2003. BGF, headquartered in Greensboro, NC, manufactures specialty woven and nonwoven fabrics made from glass, carbon and aramid yarns for use

in electronic, filtration, composite, insulation, construction and commercial products.

### **OSMONICS RECEIVES ISO 9001:2000 REGISTRATION**

Osmonics' Westborough, MA facility, which manufactures microfiltration (MF) membranes and membrane devices for original equipment manufacturer (OEM) diagnostic kits, recently completed registration of its Quality Management System to the International Organization for Standardization (ISO) 9001:2000 standard through TUV Rheinland of North America. Westborough is the first Osmonics facility to be registered to the new 2000 revision of ISO 9001. This registration adds the Magna series of OEM flat sheet MF membranes, laboratory Cameo syringe filters, and capsule filters, to the list of Osmonics' products manufactured in ISO 9001 registered plants.

### **KRONOS SIGNS DEAL WITH GULFSTREAM AEROSPACE**

Kronos Air Technologies has signed a development and acquisition agreement with Gulfstream Aerospace. Kronos will develop, design and produce air movement and purification devices for installation onboard Gulfstream corporate business jet aircraft. The embedded Kronos devices will provide silent air circulation and purification throughout the cabin.

### **CENTREX AND EMERGENCY FILTRATION IN STRATEGIC ALLIANCE**

Centrex and Emergency Filtration Products have entered into a strategic alliance to explore the marketing and distribution of their technologies. Both companies will focus on their individual areas of expertise while investigating potential collaborations that would serve to deliver to the marketplace complete biological filtering systems.

Centrex, in conjunction with Los Alamos National Laboratory, is developing a Bioterrorism Detection Device using Single Molecule Detection (SMD) that will be capable of detecting a variety of biological agents, including smallpox and anthrax. Emergency Filtration Products' patented core 2H Technology provides filtration efficiencies of greater than 99.9% at a particle size of 0.027 microns. The company is exploring the use of nanotechnologies to enhance the filtration efficiencies of their core technology in a new environmental mask designed to eradicate isolated pathogens.

### **WESTERN NONWOVENS BEGINS CAPITAL INVESTMENT**

Western Nonwovens, a U.S. producer of durable nonwovens, will invest nearly \$8 million dollars in its HiLoft business. Emphasis will be focused on improving and/or expanding the company's manufacturing technology and capacity within its Thermal Bond and Resin Bond operations.

The company recently completed major improvement projects to both its resin and thermal bond operations at its Orlando, FL facility. Significant renovations will be made to the resin bond operation at the Sauget, IL facility to enhance its ability to supply the high-end filtration market. A new 4.5-meter wide thermal bond line will be installed at the Carson, California plant along with upgrades to the resin bond operation. Plans call for all projects to be completed in 2003.

### **GENESIS MARKETING FILTER TECHNOLOGY IN CHINA**

Genesis Technology Group has signed a contract with Enviro Voraxial Technology, Fort Lauderdale, FL, to market its patented water treatment technology to China. GTEC forecasts potential contract revenues for EVTN exceeding \$20 million from its China initiative in the areas of wastewater treatment and water filtration during its first two years. GTEC will benefit from two levels of contract rewards: success fees based on cash flow and an equity position in any Sino-EVTN operations.

### **FEDERAL GOVERNMENT CONCERNED ABOUT FAKE ENVIRONMENTAL TESTS**

Federal investigators say there's a disturbing trend of fake tests of water supplies. Environmental and law enforcement officials said the manipulated tests are interfering with the government's ability to enforce environmental laws, defrauding companies that pay for honest testing and ripping off consumers who pay for products such as blended gasoline that reduces pollution.

The growing number of cases stretch from New England, where a chemist for municipal water made up test results, to Texas, where the government recently prosecuted the largest tester of underground fuel tanks. Officials said they aren't certain whether an increasing number of labs are falsifying tests, or whether more are simply being caught through more aggressive investigations and whistle-blowers.

Among the recent examples of fraudulent testing: Terian Koester, Owner of Quality Water Analysis Laboratories in Pittsburg, KS, was sentenced to 18 months in prison for violating the Clean Water Act and mail fraud. He was accused of fraudulent analysis of wastewater, drinking water and hazardous waste.

William McCarthy, a senior chemist for the Lawrence, MA, drinking water filtration plant, pleaded guilty to violating the Safe Drinking Water Act. During the 1990s McCarthy, who supervised quality testing, admitted he fabricated drinking water quality results. The Lawrence filtration plant

draws water from the Merrimack River and distributes it to more than 60,000 residents.

### **PORTLAND COUNCIL QUESTIONS WATER FILTRATION PROCESS**

Portland, OR City Council members raised concerns last month about a citizen's panel recommendation to spend \$202 million on membrane filtration for Bull Run water. Council members said they were worried about the effect of costs on ratepayers and the location of a treatment plant. The city is considering its treatment options in response to an upcoming federal rule on the cryptosporidium parasite.

A city consultant has estimated a membrane filtration plant would increase water rates by 12-30%. Water rate forecasts already call for increases in July of 10.6-14.4% to deal with the bureau's troubled billing system and lower water use.

### **U.S. EARMARKS \$8 MILLION FOR PR WATER FILTER PLANT**

The U.S. government has allocated \$8 million for the EPA to repair and modernize Puerto Rico's Sergio Cuevas water filter plant in eastern Rio Piedras. This is the second time in a month that the government has shown an initiative to improve Puerto Rico's water quality. In December, EPA gave the Puerto Rican government \$10.7 million to finance waterworks projects. Eighty percent of Puerto Rico's four million residents receive water below the U.S. government's quality standards.

### **EPA LOWERS SULFUR LEVELS**

As part of a wide range of initiatives to reduce engine emissions from trucks and buses, late in December the EPA mandated a reduction in the sulfur content of highway diesel fuel from 500 ppm to 15 ppm by 2006. The low-sulfur fuel requirement is critical to the EPA's effort to put in place more stringent diesel engine emissions standards by 2007, aimed at reducing particulate matter by 90% and significantly lowering nitrogen oxide as well.

### **PURADYN NAMES JACOBS QUALITY MANAGER**

puraDYN Filter Technologies has named William Jacobs Quality Manager to achieve quality certification for the company. Jacobs joins puraDYN from Motorola, where he held positions in Quality and Reliability, as well as Manufacturing and Development, for the last 19 years.

### **CUMMINS APPOINTS DIRECTOR OF INDIAN BUSINESS**

Cummins has named Ravi Venkatesan, currently Managing Director-India, to VP-India. Ravi is responsible for Cummins business in India, including the Engine, Power Generation and International Distribution business units. He serves as Chairman of Cummins India Ltd., a

publicly-listed company of which Cummins owns 51%, and its subsidiaries including Cummins Diesel Sales and Service.

### **APEL ACQUIRES EUROFILTER DIVISION**

Apel International, Louisville, KY, has purchased EuroFilter USA's dust control filter division to enhance its current operations in both custom and large-volume production runs of cartridge and pleated filters.

\*\*\*\*\*

## **FINANCIAL NEWS**

### **WATER PIK ANNOUNCES 2002 SALES**

Water Pik Technologies recently reported 2002 sales of \$281.8 million, compared with sales of \$281.7 million for 2001. Income from continuing operations was \$10.5 million, compared with income of \$12.5 million for 2001. Net income was \$5.5 million, as compared with net income of \$10.1 million. The 2002 results include a loss on discontinued operations of \$5.0 million as a result of the decision to sell the Aquia home sanitizing product line.

The Aquia home sanitizing system is a household appliance designed for consumer use and has potential commercial applications for restaurants, medical offices and day care centers. While the product was well received by trade buyers when initially introduced in September 2001, the promotional investment in consumer education necessary to create this new market and achieve sell through at retail, has proven to be significantly greater than the company originally anticipated.

\*\*\*\*\*

## **IN THE PRESS**

### **WHAT'S NEW IN AIR FILTERS**

*From Fleet Owner magazine:*

Manufacturers agree that one of the most important issues affecting engine air filters is something fleets can have complete control over: using restriction gauges, or monitors, to determine when it's time to replace the filters. In practice, however, many fleets change air filters either when they "look" dirty or when they've been in service for a given number of miles. The problem with these methods is that people end up changing filters too frequently.

While cost is the first consequence that comes to mind, there are other more serious ramifications when you change air filters before you need to. In fact, doing so can actually put your engine at higher risk for

contamination. As Baldwin Filters points out, an engine is most susceptible to contamination from dirt, dust, etc., when it's exposed to the environment during a filter change. It stands to reason that the more often you do this, the greater your chances of contaminating the engine.

Another option is disposable air cleaners, where the entire assembly is replaced, rather than just the filter element. For example, Farr's Eco-LL products are self-contained units that eliminate the issue of contamination — "engine dusting" — during filter replacement.

Then there's the misconception that air filters are most efficient when they're brand new. It's really just the opposite. Fleetguard/Nelson explains that an initial buildup of dust and dirt serves as a kind of second filter, so that up to a point, filters become more efficient the longer they're in place. To put it another way, if you replace them too often, you're minimizing the amount of time engines can benefit from filters functioning at maximum efficiency, Fram points out.

Leaving filters in place too long presents a different kind of problem. Loss of power and a decrease in fuel economy are two possible negative outcomes when engine air filters become too clogged with dirt and grime. And on the extreme end of the spectrum, according to Wix, a filter can become so restricted that it's actually crushed, with parts breaking off and getting sucked into the turbo, causing damage to the engine.

In general, paper media is still considered to do the best job for the money in over-the-road applications. But the industry will continue to see an increase in filters made of a combination of cellulose and synthetic media, especially for applications that require longer life, longer serviceability and higher efficiency.

Filter makers continue to face the challenge of developing units that are smaller, yet maintain or even improve performance levels. This stems in part from a trend to more aerodynamic vehicle design in an effort to improve fuel economy. According to Fleetguard/Nelson, manufacturers have responded by developing innovative technologies to create media that are more efficient.

\*\*\*\*\*

**THAT'S ALL, FOR THIS MONTH ...**

To subscribe to the INDA E-FILTER newsletter and have e-mail notifications announcing new additions, please click "Ordering Form" on the previous page.

Any company with news for the INDA e-FILTER Newsletter, or any individual with something they want to say to the industry, should send an email to Michael Jacobsen, INDA Director of Publications, at [mjacobsen@inda.org](mailto:mjacobsen@inda.org) or mail to 22 Paterson Avenue, Midland Park, NJ 07432; 201-612-6601; Fax 201-612-6677.