

Sheridan Books Presents ...

FRONT MATTER

CPSIA Stay Extended and Hearing is Held

On January 31, 2011, the Consumer Product Safety Commission (CPSC) announced that it would extend the stay of enforcement on total lead content in children's products, as dictated in section 102 of the Consumer Product Safety Improvement Act (CPSIA) of 2008, until December 31, 2011. The stay had been scheduled to expire on February 10, 2011.

Under the CPSIA, products for children under 12, including some books, must have a Certificate of Compliance showing they have been tested for acceptable total lead levels. The CPSC has not yet clarified the acceptable procedures for testing and certification, however; the extension of the stay gives it more time to issue these guidelines before the requirements are enforced.

In the meantime, major industry associations continue their efforts to make ordinary children's books exempt from testing as illustrated in the following.

On February 17, 2011 The House Committee on Energy and Commerce's Subcommittee on Commerce, Manufacturing and Trade held a hearing which examined the implementation and consequences of the CPSIA. CPSC Commissioner Inez Tenenbaum and several industry groups testified at the hearing; the Association of American

Publishers (AAP), the Book Manufacturers' Institute (BMI), and the Printing Industries of America (PIA) are among the groups that want the committee to consider amending the statute. In particular, the three organizations want ordinary paper-based children's books and other printed, paper-based materials for children—which have never previously been regulated—excluded. Barring that, the organizations asked Congress to consider adding risk assessment standards and procedures to the statute, which would show that most ordinary children's books carry very low risk and should not need testing.

"CPSIA imposes [total lead content testing and certification] requirements without any provision for risk assessment, which has been the key methodology underlying extensive studies of children's exposure to lead that have been conducted by other agencies of the federal government such as the Environmental Protection Agency," the AAP, PIA and BMI said in a joint statement. "Based upon test results provided to the Commission by children's book publishers, printers, and manufacturers, the component materials comprising ordinary paper-based children's books and other printed, paper-based children's materials—such as flash cards,

posters, bookmarks, and worksheets—consistently fall well below even the lowest levels of lead content permitted for children's products under CPSIA."

What this means to you—Thanks to the stay, no new action is required at this time.

Sources:

CPSC Extends Stay of Enforcement on CPSIA Testing, by Karken Raugust, 2/2/11, www.publishersweekly.com

CPSIA Update: Congressional Committee Holds Hearing on Implementation, by Karen Raugust, 2/18/11, www.publishersweekly.com

 Looking to reduce costs? Just look for this yellow symbol to find money saving ideas.

Inside This Issue:

Publishing Sales up 3.6% in 2010	2
2011 Publisher's Outlook	2
What is Stopping You From Producing and Selling eBooks?	3
New B/W Digital Halftone Proofs	3
Old Fashion vs. eReader: Which is Greener?	4

Publishing Sales up 3.6% in 2010

According to estimates released by the Association of American Publishers, total U.S. book sales tracked in 2010 were up 3.6% over 2009 sales (\$11.67B vs. \$11.25B).

The largest gain was seen in the eBook category in which sales increased by 164.4%. This category also experienced a gain of 176.6% from 2008 to 2009. eBook sales represented 8.32% of the trade book market in 2010 vs. 3.2% the previous year.

Downloaded audio books showed the second largest gain at 38.8% followed by higher education at 7.8% and professional at 5.0%.

Juvenile hardcover, down 9.5% from 2009, showed the largest decline in sales followed closely by adult mass market and physical audio books (both down 6.3%).

The chart on the right shows a breakout of the estimated changes from 2009 to 2010 for each segment.

Source:

AAP Publishers Report Strong Growth in Year-to-Year, Year-End Book Sales, Tina Jordan, 2/16/11, www.publishers.org

Category	% Change from 09-10
eBook	164.4%
Audio Book - Downloaded	38.8%
Audio Book - Physical	-6.3%
Higher Education	7.8%
El-Hi	3.2%
Professional	5.0%
Univ. Press Paperback	1.3%
Univ. Press Hardcover	-0.5%
Religious	-0.5%
Trade	
Adult Hardcover	-5.1%
Adult Paperback	-2.0%
Adult Mass Market	-6.3%
Juvenile Paperback	-5.7%
Juvenile Hardcover	-9.5%

2011 Publisher's Outlook

According to the results from Book Business' 2011 Industry Outlook survey, publishers are "moderately optimistic" for both the industry and their own business. The survey, conducted in December 2010, includes responses from 123 publishers from all market segments.

While 18% were very optimistic of their own business, only 6% were very optimistic of the industry (see chart, bottom right). One reason for this cautious optimism is the recovering economy as well as "competition from free sources, uncertainty about pricing models, and changing consumer expectations of pricing." Shifting distribution models, a decline in the interest of

reading, and difficulties adapting to change were other factors.

The majority of respondents, 70%, expect to see the largest percentage increase in sales to come from online sales channels while 56% expect physical-bookstore sales to shrink in 2011.

52% felt that revenue growth from overall book sales will increase in 2011, yet only 31% felt that the number of titles published will increase (see chart, top right).

Source: *Publishers See 2011 as Year of Challenge, Opportunity*, Book Business, January/February 2011.

Revenue Growth From Overall Book Sales		
	In 2011 will:	# of titles published in 2011 will:
Increase	52%	31%
Remain Flat	38%	60%
Decline	10%	9%

Publisher's View of 2011		
	View of the industry	View of their own business
Very Optimistic	6%	18%
Moderately Optimistic	56%	56%
Pessimistic	3%	7%
Unsure	35%	19%

What is Stopping You From Producing and Selling eBooks?

In the summer of 2010, Aptara Corp. surveyed more than 600 publishing industry representatives – from Trade, Professional, Educational, and B2B publishing markets. Findings reveal that the major reason why publishers are not currently producing eBooks is due to lack of customer demand. This is followed closely by: eReader/content format and compatibility issues; return on investment concerns; and distribution channel issues.

Other key reasons why publishers are not producing and selling eBooks include: concern over protecting digital rights; cost of overall eBook production; complexity of pricing models; lack of source rights to publish in new formats; and perceived quality of the converted content.

No matter what the reason, Sheridan Books can help you overcome these barriers and repurpose your content allowing you to tap into this growing market.

With SBI's new Electronic Content Services offering we can alleviate your concerns and enable you to sell eBooks direct from your website or to third party eBook sellers!

Concerned about format/compatibility issues? SBI can convert your titles to ePub, MobiPocket, and eBook PDF formats that are compatible with leading eBook readers.

Concerned about distribution channels? SBI can also distribute your content to over 40 third party retailers (such as

Amazon, Sony, Barnes and Noble, etc).

Concerned about protecting digital rights? Digital rights options are available to ensure access to your eBook is restricted to authorized users only.

Concerned about ROI and complex pricing? With Sheridan's ECS offering you set your own price and retain greater revenue.

Contact your SBI Sales Representative to learn more!

Source: *eBooks – A Second Look: Assessing the Latest Impact on the Publishing Market*, December 8, 2010, www.aptaracorp.com

New B/W Halftone Proofs at SBI

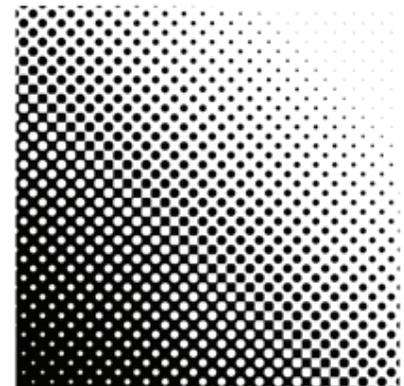
Near the end of December 2010, SBI switched to a new 1 bit proofing software for our black and white Digital Halftone Proofs. This new software creates dot structured DHPs for our halftone proofs in lieu of the 4/c continuous tone simulated 1/c proofs we historically offered.

Our DHPs now go through the same screening process used in our plating process and closely match our press results. They even show moiré patterns that might be present in the images.

The new dot structured 1 bit tiff proofs have also eliminated the "brownish" cast that could occasionally be seen in our previous b/w proofs.

Customer Benefits

- Proofs are now more accurate representation of press results.
- Improved quality of the proof as the "brownish" cast that could be seen occasionally in previous b/w proofs has been eliminated.



Sheridan Books, Inc. is a leading book manufacturer providing professional publishers and self-publishers complete book manufacturing services. Available printing options include sheet-fed and web offset printing, Digital Print Advantage, and Electronic Content Services. SBI offers one-color through four-color text and component printing capabilities. Multiple in-house binding styles include soft-bound and hard-bound. With superior customer service, high-quality products, reliable on-time delivery, and competitive pricing, SBI is dedicated to helping publishers achieve their goals from beginning to end. Sheridan Books is a division of The Sheridan Group (Hunt Valley, MD).

Upcoming Events

April 4-6, 2011—Publishing Business Conference & Expo, New York, NY

April 11-13, 2011—London Book Fair, Earls Court, London

May 23-26, 2011—Book Expo America, New York, NY

eReader vs Old Fashion Book—Which is Greener?

eReaders are popping up all over. Be it Kindle, iPad, Sony, or a number of other new competitors coming into the marketplace they all allow you to “bookshelf” multiple titles on a single device. But are they greener than the traditional printed book?

In a December 2010 Sierra Club Green Home article, they announced their findings after researching this question. They not only considered the trees needed to make the paper versus the manufacturing of electronic products, but the shipping costs, fuel, and disposal of these products as well. Their

conclusion, “unless you’re a fast and furious reader, the energy required to manufacture and then dispose of an eReader is probably greater than what’s needed to make a traditional book. If you’re reading 40 or more books per year on your eReader that would be the right choice, but if you use it only occasionally, [you] probably better stick to a “regular” book.”

Alternatively, the Cleantech Group conducted a study of the environmental impact of the Kindle and findings indicate that “on average, the carbon emitted in the lifecycle of a Kindle is fully

offset after the first year of use” on the basis of reading 3 books a month on the device. Since the full report was unavailable, it is unclear if the manufacturing and disposal of the devices was included in this finding.

Sources:

eReaders vs. Old Fashion Books: Which is Greener, December 2010, www.sierraclubgreenhome.com

Cleantech Group Report: eReaders a Win for Carbon Emissions, by Lisa Sibley, 8-19-2008, www.cleantech.com/news

SBI is FSC® certified!



The mark of responsible forestry

SHERIDAN BOOKS, INC.



100 North Staebler Road
Ann Arbor, MI 48103
Phone: 734-475-9145
Fax: 734-475-7337

Email: info.sbi@sheridan.com
www.sheridan.com

Reading is to the mind
what exercise is to the body.

Sir Richard Steele