



TOOL TALK

A Publication of the Michigan Tooling Association

Announcing the 2003 MTA Board of Directors

Elected to the Michigan Tooling Association’s Board of Directors for three-year terms, commencing January 2003, are the following:

- ❖ George Buhaj of **Avon Broach & Production;**
- ❖ James Heller of **A.B. Heller;**
- ❖ Herbert Trute of **T & W Tool & Die;** and
- ❖ Dennis Wilson of **Accum Matic Systems.**

Also serving on the 2003 Board are:

- ❖ Leonard Bantleon of **Leonard Machine Tool Systems;**
- ❖ Gerald Flannery of **Mercury Gage;**
- ❖ Dennis Haller of **S*K*I Industries;**
- ❖ Richard Heidrich of **Richard Tool & Die;**
- ❖ Leroy LaJeunesse of **L & L Machine Tool;**
- ❖ Michael Obloy of **Special Drill & Reamer;**
- ❖ Robert Peuterbaugh of **JPT-Joint Production Technology;** and
- ❖ Gary Theuerkorn of **Hillside Tool & Die.**

Our thanks to them all for their dedicated service to the Association and its members.



In Memoriam

It is with profound sadness and deep regret that we note the passing of Adrian “Pete” Smith, on December 2, 2002, at the age of 72.

Pete started **Wolverine Bronze Company** of Roseville in 1960, a manufacturer of non-ferrous castings and fixture bases. He later went on to establish **LaSalle Foundry, Lupatin Welding, Spartan Grinding** and **International Castings.** He retired as CEO of Wolverine in 1998 and has been succeeded by his four sons, Bill, Doug, Dick and Paul Smith.

Pete was a very active member of the Michigan Tooling Association, serving for many years with the MTA Casting Manufacturers’ Workers’ Compensation Fund and was renowned for the boat outings on his yacht, “The Wolverine.”

Our heartfelt condolences go out to all his family and friends.

MTA Workers Comp Fund and MTA Leadership - (l to r) Gary Wood, WCF Administrator, Jerry Decker (Precision Boring), WCF Chairperson, Jerry Flannery (Mercury Gage), MTA President, and Rob Dumont, MTA Managing Director.

Inside This Issue

- Page 2 Members in the News
From Rob’s Roost
- Page 3 Safety Talk - A Long Winter’s Tale
- Page 6 MTA Agency News
- Page 7 Economic Talk - The Dana Viewpoint
- Page 8 Inflation Talk - CPI Figures for November
FYI
The Marketplace

MTA Calendar of Events - January

NOTE: All seminars & training programs this month are being held at the MTA Training Center in Farmington Hills unless otherwise noted.

- 15 Deadline for sending in items for **Tool Talk**
- 16 MTA Workers’ Comp Fund Board of Trustees meets
- 22 MTA Board of Directors meets

Members in the News

Reliance Finishing Company of Grand Rapids is proud to announce their registration to the ISO 9001:2000 International Quality System Standard, with a scope of being a “full service production finishing service provider for metallic substrates including pretreatment of metal surfaces. Wet coat and powder coat applications for decorative appearance applications.” Their registration was through American Systems Registrar, certification number 1867.

Mary J. Mosey, vice-president of Reliance Finishing, states: “All employees of Reliance Finishing have worked very hard and much teamwork was involved in our receiving this registration. Many of our customers have contributed their time, effort and encouragement towards this project and to them we would like to extend a ‘thank you’.”

Precision Spindle Service Company of Ferndale, a 56 year old machine spindle rebuilder, announces a change in ownership as of November 19, 2002.

Dave Marshick and Bill Foy, long-time employees of the company, succeed Patrick Kenney, who retired after 45 years with the firm. Marshick has directed sales and marketing since 1988; Foy has been chief engineer, also since 1988. Kenney has been appointed as a consultant to the new owners.

Our congratulations and best wishes to the above. Let us know what is happening at your company. We would like to share it with all our readers.

From Rob’s Roost –

by: *Rob Dumont, Managing Director*

HIPAA Seminar Feedback

Last month’s questionnaire on the feasibility of having a HIPAA seminar for the membership resulted in 78.5% of the responding companies wanting a seminar and saying they will attend. We will begin working on seminar preparations and locations. Registration forms will be sent as

soon as possible.

Now, we have another topic for your perusal and interest level for a seminar, by Paul J. Hindelang of Results Systems Corporation regarding ISO/TS 16949:2002

Automotive Companies Announce New Quality Standard-ISO/TS 16949:2002

Association members that serve the automotive industry will need to address the new certification requirements for the global automotive industry. Recent announcements by General Motors Corp., Ford Motor Company and DaimlerChrysler require their production suppliers to upgrade their quality systems to meet the newly released ISO/TS 16949:2002 standard. This standard will be managed through global oversight offices by the International Automotive Task Force (IATF). The objective is to provide a single global automotive quality system standard and registration process. The IATF offices will be responsible for supervising certification bodies, individual auditor qualifications and management of audit database records.

This new registration standard is not yet available for tooling and equipment manufacturing organizations. The current registration standard used for most automotive related tooling and equipment suppliers is QS-9000:1998. This standard will expire on December 14, 2006. Registrations currently held can be renewed until that date. After that date, it is likely that either a tooling and equipment supplement will be prepared for ISO/TS 16949:2002 or the general industry ISO 9001:2000 standard will be required.

During this transition period, many automotive companies and their production suppliers will be adopting the changes required by ISO/TS 16949:2002. **This will impact most tooling and equipment suppliers in some way since they must respond to their production customers according to the new process models and continual improvement needs defined in the standard.**

There is good news with these changes. The new standard and the enforcement discipline committed to the industry by the IATF will bring accelerated compliance of all suppliers and the benefits of improved quality in parts and services used throughout the automotive supply chain.

As difficult as it may appear to deploy quality practices

throughout a company, customers are demanding quality, service and price in every transaction. Managers must deliver this performance to their customers or they simply will not continue in business.

What can members of the Michigan Tooling Association do to be part of the continuing improvement in quality? The new standards ISO/TS 16949:2002 and the underlying general standard ISO 9001:2000 have embedded eight quality management principles to be used by top management to lead your organization. These are:

Quality Management Principles:

- 1) **Customer Focus: understand needs;**
- 2) **Leadership: establish direction;**
- 3) **Involvement of People;**
- 4) **Process Approach: manage related resources;**
- 5) **Systems Approach: understand inter-related processes;**
- 6) **Continual Improvement;**
- 7) **Factual Approach to Decisions: use data analysis; and**
- 8) **Mutually Beneficial Supplier Relationships.**

It is essential that all MTA members view this quality trend as a critical necessity to survival. Making a top management commitment to quality will soon be seen as your most important decision. Buying equipment, borrowing money, hiring good people are necessary practices; but not essential if you are unable to generate sales from customers because your competition has superior quality practice.

Remember: profit is what remains after your entire business process chain is satisfied – **and the customer is the beginning of the chain.**

-Paul J. Hindelang is president of Results Systems Corporation, a Troy, Michigan consulting firm founded in 1983, serving the automotive industry in quality, productivity and leadership systems development.

Editor's note: MTA will be sponsoring an orientation seminar on ISO/TS 16949:2002 in the near future, if there is enough member interest. A form is enclosed for your consideration of this seminar.

Safety Talk – A Long Winter's Tale

by: *Dennis Jacobs, Loss Control Specialist*

Baby it's cold outside

Do you have employees working outside? If your workers can't avoid work in cold-weather conditions, it's your job to help ensure they stay safe and healthy in extreme temperatures.

The Bureau of Labor Statistics reports that only a small number of fatalities are related to working in extreme cold temperatures during a year, but this does not take into account lost workdays due to cold-related illnesses or accidents that result from the disorientation caused by hypothermia.

There are two kinds of cold to be concerned about: dry and wet. Dry cold is the result of wind, temperature, and the combination of the two, known as wind-chill factor. Approximately 60 percent of a person's energy is used to keep the body warm, so when exposed to cold, the body's temperature decreases. This in turn causes blood vessels to constrict, slowing blood flow to the skin. For these reasons, exposed skin can lead to frostbite and hypothermia.

Wet cold involves direct contact with water, immersion in water, or contact with dampness in the air, like sleet or freezing rain. The body tends to lose even more heat when exposed to wet cold. According to OSHA, a body in wet clothing can lose heat up to 24 times faster than it would in dry clothing. Keeping clothing dry in cold, wet environments can be a challenge. Dressing in layers helps.

The most common and serious problems associated with the cold are frostbite, trenchfoot and hypothermia. Each year, approximately 700 people die from hypothermia in the U.S. When the body is exposed to prolonged cold, body temperature falls below what is known as a safe "core" body temperature. The result is a risk of potentially deadly hypothermia.

To protect employees from these potential dangers, employers should take precautions. Proper clothing is an obvious first consideration. It is best to dress the torso area in layers. The outer layer should protect against the wind and allow ventilation, and may prevent water penetration. Gore-Tex or Nylon, garments that breathe but do not allow water to penetrate, are both good choices. For an insulating middle layer, consider the benefits of wool or synthetic

fiber. Down is a good insulator, but it becomes ineffective when wet. Thermal underwear is a common inner layer. Good ventilation is key to keeping the skin as dry as possible.

Protecting extremities requires coverings for feet, head and hands. Footwear should be insulated to protect against cold and dampness. Because of the large amount of blood that circulates to the brain, up to 40 percent of body heat is lost when the head is exposed. Jackets with a hood attached, or any other head covering that is intended for cold weather, will substantially cut loss of body heat. In addition to the weather, the work that hands need to do will determine glove type. When the weather is cold and wet, waterproof insulated gloves provide the best protection. Glove liners will provide extra insulation for the hands.

Get Ready! The Freeze is On

Some of us always get caught cold. Maybe it's because we just don't want to admit that winter is actually here, but every year some of us have to come inside chilled-to-the-bone and shivering before we'll trade in our light fall jackets for insulated coats and long johns. We should consider ourselves lucky that we weren't caught farther away from warm shelter. That shivering is a warning that is saying, "Next time, be prepared. Cold can kill."

Serious cold-related injuries and illnesses can occur when your body loses the ability to warm itself, a condition commonly known as hypothermia. It can result in permanent tissue damage or even death. The danger of hypothermia isn't only present at extremely low temperatures; given the right circumstances, it can occur when land temperatures are above freezing or water temperatures are below 98.6 degrees Fahrenheit. Hypothermia can slowly overcome a person who has been chilled by low temperatures, a brisk wind or wet clothing. When someone's body temperature drops to 95 degrees Fahrenheit or lower, the symptoms of hypothermia will appear: fatigue, drowsiness, uncontrolled shivering, cool bluish skin, slurred speech, clumsy movements and irritable, irrational or confused behavior.

Frostbite usually affects the extremities: fingers, hands, toes, feet, ears and nose. When deep layers of skin and tissue freeze, the skin becomes hard and numb and looks pale and waxy white. Often, the only treatment for severely frostbitten flesh or limbs is amputation.

If you spend a substantial amount of time working outdoors in cold weather, you can help to protect yourself and those you work with by following these guidelines:

- ❖ Be aware of changing weather conditions and prepare for them.
- ❖ Learn the signs and symptoms of hypothermia and frostbite and the first aid procedures appropriate for their treatment. Anyone who works outdoors should receive training in the recognition and treatment of cold-related illnesses.
- ❖ Select proper clothing for cold, wet or windy conditions - a hat and gloves will help to keep your extremities warm, while polypropylene underclothes will keep water away from the skin. Layers of clothing make it easier to adjust to changing temperatures and conditions.
- ❖ The colder the weather, the more often you should take short breaks in warm, dry shelter to allow your body to warm up.
- ❖ Whenever possible, schedule work for the warmest part of the day.
- ❖ Because your body uses energy to keep muscles warm, avoid fatigue or exhaustion.
- ❖ Keep your body energized with warm, sweet beverages such as cocoa or sports drinks, and warm, high-calorie foods such as pasta dishes. Avoid caffeine and alcohol.
- ❖ Use the buddy system. Always work with at least one other person and test each other on your knowledge of the symptoms and treatment of cold-related illnesses.

OSHA has more information on a Cold Stress Cards. For a PDF version, go to:

www.osha.gov/Publications/osha3156.pdf

The Spanish version of the Cold Stress Card is at :

www.osha.gov/Publications/osha3158.pdf.

Carbon Monoxide Threat

With temperatures dropping, millions of Americans have closed the windows and doors of their homes and plants, and have lit their furnaces for this winter's cold weather. Nobody expects to be exposed to poisonous gas; however, at least 1,500 people are killed every year because of exposure to carbon monoxide, according to the Journal of the American Medical Association.

Carbon monoxide is a toxic colorless, odorless and tasteless gas. With excessive exposure, CO results in human

tissue being deprived of oxygen and may cause chronic effects such as heart damage and acute effects like headaches and flu-like symptoms, even death by suffocation, according to the Occupational Safety and Health Administration. Symptoms are similar to those of the flu, including fever, unexplained headache, nausea and dizziness.

As you button up your home during this winter season, take special care to make sure your heating units are operating safely and efficiently. Like cars, furnaces also need tune-ups to burn their fuels efficiently and completely. This is also true for any other gas-fired or propane-fired equipment you may have: hot water, space heaters, to name a few.

Similarly, in your plants, factories and places of business, any heating unit can generate carbon monoxide if it is not properly maintained: heating units, heat treat furnaces, water heaters, anything that is gas fired.

Other things to be aware of include: space heaters, radiant heaters and motorized material handling equipment – forklift trucks, tractors and other types of equipment. The constant starting and stopping, the revving of the engines, the use in the temperature extremes of the outdoor environment, and many other factors all contribute to the changes that an engine will go through. The net result is that the engines can easily get “out of tune”. When this happens, the engine does not burn its fuel efficiently or totally. The left-over exhaust gas is laden with carbon monoxide. That settles in your plant or building, in the lowest areas, and just waits for an unsuspecting employee to enter.

What to do?

Keep your machinery, equipment, heaters, furnaces, etc. in top operating condition. Have your furnaces and heaters checked regularly by a qualified person. Have your machinery and equipment checked to assure its efficient operation. Preventive maintenance on forklift trucks doesn't always mean they check for carbon monoxide, nor do they perform a tune-up.

Watch for the classic warning signs in your employees. If any complaints occur, get the employees into fresh air and get help in checking out the possible sources.

Remember: if three or more employees are hospitalized from a single incident, MiOSHA considers that a catastrophe, and will be there to investigate the matter.

Do you want to invite MiOSHA to come into your plant!?!?!?

Fireplace Safety

Winter is here for awhile and when the weather outside turns frightful, there's nothing so delightful as a warming fireplace. However, before you fire up the household hearth, you should follow these few simple safety rules to help keep your fireplace warm and cozy, instead of a potential health and safety hazard.

- ❖ Have your chimney checked annually. Creosote builds up in chimneys and provides fuel for chimney fires. An inspection will reveal the extent of build-up and whether a cleaning is needed. An inspection may also show that small animals have put their summer to good use building a nest in your chimney, another great source of chimney fire fuel. Most importantly, an inspection can reveal whether cracks have developed in the chimney walls; cracks that can allow deadly carbon monoxide gas to leak into your home.
- ❖ Sparks can fly, so use a fireplace screen to keep sparks in the fireplace and away from carpeting and other combustible surfaces.
- ❖ Never leave a fire unattended. Make sure the fire has been completely extinguished before you leave the house or go to bed.
- ❖ Gas fireplaces need to have jets cleaned and all lines and connections checked to make sure everything is leak-free and in good working order. Dirty jets can cause gas to burn incompletely, resulting in a build-up of deadly carbon monoxide.
- ❖ All woods are not created equal. Dry, seasoned hardwoods burn hotter and cleaner. Never burn old lumber; it may be treated and burning treated lumber can release harmful chemicals.

For more information on fire safety and fire prevention, visit the National Fire Protection Association Web site at: www.nfpa.org.

MTA Agency News

by: *Mark Tyler, General Manager*
MTA Insurance Agency

Self-Funding – It’s Not for Everyone!

Phone calls - I get lots of phone calls. One of the most asked questions is why the Michigan Tooling Association doesn’t get all the members together and have a single large group to enhance our purchasing power? Wouldn’t we get a much better price on our Blue Cross?

One would think so; after all we have thousands of employees working for our member companies. You would think that it would be like going to Sam’s Club® and buying the big box of health care. There are a few reasons behind why we don’t have this arrangement. I’ll try to give you the short version.

First of all, when you have a group of over 100 employees, the Blues develop your rates based on your experience. (After all, there is no free lunch.) What this means is that the Blues would take the actual claims that the group has for a year, project out the next year what those claims would cost, add a charge for the administration of the program and divide by the number of people in the plan and that would be your cost.

For some of the old-timers here at the MTA, a program existed at one time that did just that. The problem with the program is that it got too expensive. When the costs exceeded the regular fully-insured area-rated plans, the Trustees of the MTA Voluntary Employee Benefit Association (VEBA) arranged for member companies to go directly with the Blues on an insured basis. Why did this happen?

Well, to put it in a nutshell, we are not a good risk as an industry and as an association. We use our health care insurance more than most! What we currently have, (current – not 10 years ago), is that for every dollar our members send into Blue Cross for premium, Blue Cross pays back to the hospitals and doctors \$1.04 in claims. This does not include the administration charges that they need to pay their employees to actually process our claims.

One of the other reasons we don’t “band together” is that under the laws of Michigan, such an arrangement would be called a Multiple Employer Trust, or MET. The provisions of the laws that govern this type of arrangement require some very high and strict financial commitments

from all of the participants. In our economy, this would be impossible for us to accomplish.

So with the fact that we, as an industry, are using our health insurance program way too much, and the financial hurdles needed to develop the program to take advantage of our buying power, it does not make financial sense to do this.

We continue to scour the marketplace for the best programs at the best prices for our members. After all, we are representing only Tooling Association companies. Many other organizations represent a wide cross-section of groups from car dealers to restaurants. We don’t and won’t.

This gives you, as a member of the MTA, the advantage of having us always reviewing all the programs that are available. For now, and in the foreseeable future, the Blues still offer the best plans for the best prices (compared to the rest of the health insurance products available from other companies).

Blue Cross does recognize the fact that as an association we do have a large presence in the Michigan market and we demand to be heard. This is especially critical when it comes to rates, increases, provider access, claim situations and cost containment programs. They do listen to us because of our size and our influence.

If you have any other questions, please call me. I’d love to hear from you. After all, it keeps me on my toes.

Veterans – Join up to fight high costs: Check out these programs available to only VETS

If you are a veteran, you may qualify for some of the following benefits:

- ❖ Prescription drugs: as a Vet, you may be eligible for prescription drugs that would only cost \$7 for a month’s supply. Prescriptions must be written by a Department of Veterans Affairs doctor and filled at a VA pharmacy. For more information, call 877-222-8387.
- ❖ Health care: veterans may also be eligible for low cost in-patient, out-patient, long-term and hospice care. Check the web site: www.va.gov/health_benefits/.
- ❖ Burials: every veteran is entitled to a free plot and grave marker at a national veterans’ cemetery. For more information, check www.cem.va.gov.

Economic Talk – The Dana Viewpoint

by: *Mike Dana, CEO*
Dana Investment Advisors, Inc.

Bad News Bulls

Unemployment on the rise; low consumer confidence; auto companies giving away future profits; possible real estate bubble; weak economies in Japan and Germany; war on terrorism; possible war with Iraq; Islamic government elected in Turkey; leftist government in Brazil; continuing currency crisis in Argentina; recent terrorist attacks in Bali and Russia; not to mention the land mines still exploding in corporate America.

In spite of all this, the bulls have managed to take hold of the stock market. Is this for real? We still feel that the market has put in a good bottom at 7200-7500 on the Dow, but we will need more base building to form a solid platform for the next bull market. On the bright side, corporate America is cleaning up its act and getting lean and mean to shore up profitability. Productivity gains brought about by technological advances have probably leveled off to be replaced by cost cuts. Unfortunately, that means more job losses.

Companies are forced into this scenario as they no longer have pricing power. In inflationary times, companies can simply raise prices to maintain profitability. However, in a deflationary period (we believe we will experience mild deflation for some time), companies lose the ability to raise prices as consumers are concerned about staying employed; and as they see prices decline, they will hold off on new purchases.

That, in sum, is why we believe that the market will continue to trade in a horizontal pattern, building that solid base. The stock market is a good leading indicator for the economy, and it is telling us now that it is time for selective buying, but also not to mortgage the farm and to be patient. Premier athletes say that they let the game come to them. The same attitude is prudent now – let the stocks come to you. It will continue to be a selective market.

How about that interest rate cut? The Fed finally decided to stop pussy-footing around and get serious. That should be it. It's only cosmetic anyway. As we have said so often in the past, interest rate cuts in and of themselves will not turn the economy around. Lower rates have

obviously been a prop under the current economic malaise as they have stimulated the building industry and allowed homeowners to refinance and pull money out for purchasing power.

However, it gets down to confidence by businesses and consumers to invest and spend. The rate cut will make stocks more attractive and a rising stock market will go a long way in stimulating business and consumer confidence.

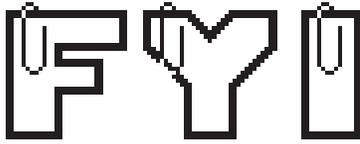
With a single party gaining control of both houses, it may open the door for taking steps to bring about an economic recovery. The voting public has given the Bush team the ball, and now it's up to them to make the offensive plays to move the economy down the field. What are those plays? Let's look at some of them.

1. Make the tax cuts permanent. Regardless of what the opposition says, tax cuts are stimulative. Kennedy proved that in the '60s, and Reagan proved it again in the '80s.
2. Forget the deficit for the time being. Once we get the economy rolling, increased tax revenues will create a surplus like it did in the late '90s.
3. Create tax incentives for start-up and existing businesses. We need job creation.
4. Eliminate the double taxation of dividends. This will encourage more investing by businesses and by investors in the stock market.

We see the light at the end of the tunnel, and it is not a train coming the other way. The players are in place, and it is time to take it to the house. It is the start of the new year and each of us should take some time to reflect on how fortunate we are to live in this great country and enjoy all the freedoms our society provides.



“Prosperity? It’s just around the corner and down fourteen blocks.”



Business Opportunity Tip: for a list of every federal government agency's product or service needs over \$25k, go to www.fedbizopps.gov.

The Summary Portion of MiOSHA Log 300A needs to be compiled and posted in all shops by February 1, 2003. It must remain posted for all employees to see until April 30, 2003. Under MiOSHA regulations failure to post the log could result in penalties of up to \$1,000, if you are inspected during that period.

The Marketplace

Wanted:

Local manufacturer wishes to purchase a small cutting tool or tool grinding company. Please forward name and contact number to: Whitter Investments, 21420 Greater Mack Ave., St. Clair Shores, MI 48080.

Personnel Available:

Repeat Ad:

Highly dedicated and professional financial executive seeks position utilizing experience in many areas of finance, IT, 401(k) plan administration, management, marketing, employee benefit programs, personal and corporate taxation and employee relations. A hands-on CFO/Controller who understands working with people, while at the same time always keeping an eye on the bottom line. Thorough knowledge of metal working industry. **Ask for Resume 02-12.**

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Nov 2002	177.4	528.4	614.5*
Oct	177.3	528.2	614.2*
Sept	177.0	527.3	613.2*
August	176.6	526.0	611.8*
July	176.1	524.5	610.0*
June	175.9	524.0	609.4*
May	175.8	523.6	609.0*
April	175.8	523.7	609.0*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Nov 2002	181.3	543.1	631.6*
Oct	181.3	543.2	631.6*
Sept	181.0	542.1	630.6*
August	180.7	541.2	629.5*
July	180.1	539.5	627.4*
June	179.9	538.9	626.7*
May	179.8	538.5	626.4*
April	179.8	538.6	626.4*

Note: November CPI-W represents a 2.1% increase from one year ago; CPI-U a 2.2% increase.

* Base Year 1957-59 is no longer released. BLS has issued the following conversion factors from the 82-84 year:

CPI-W - .2886674 CPI-U - .2870447

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 Send to **MTA - Attention: Tool Talk Editor**