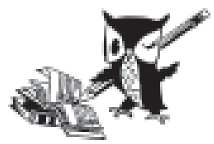
February 2004 Volume 15 Number 2

TOOL TALK

A Publication of the Michigan Tooling Association

From Rob's Roost

by: Rob Dumont,
Managing Director



HEADS UP!

Recently MTA accepted Lower Electric as an Endorsed Service Provider. The Association is experiencing a savings of ten percent (10%) on its electric utility bills by using Lower Electric's services. We are pleased to report that some of our members have also availed themselves of even greater savings.

The Michigan Public Service Commission (MPSC) is aware of very significant delays being experienced by customers moving from DTE to electric choice programs such as that offered by Lower Electric. The Detroit Edison Retail Access Service Tariff provides that DTE must complete its role in such changes within a 45-day period. Currently DTE advises the MPSC that it will take several months to catch up to its responsibilities. If you have been experiencing such delays you can report it to the MPSC by calling 800-292-9555 and advise the staff you are calling about the "45 day problem".

In recent weeks, DTE has been trying to suggest Michigan policymakers should be taking unjustified steps to raise electric prices in the State – already the highest in the Midwest – to help the company's stockholders.

DTE on December 9th issued a memo called "Wall Street Alarm Over DTE Energy", suggesting that the company faces serious financial troubles unless P.A. 141 of 2000 is overhauled in a way that will take hundreds of millions of dollars out of the pockets of Michigan families, businesses, schools and cities, and pour them into DTE's coffers.

DTE's proposed solution: Make it harder for customers to leave Detroit Edison at a time when the utility is proposing major rate hikes at the MPSC.

Michigan already has the highest electric rates in the Midwest, and Detroit Edison has the highest rates of any major utility in Michigan. Passing legislation that will virtually require the MPSC to raise those rates will mean higher electric bills for Michigan manufacturers, commercial businesses, families, schools and governments. If lawmakers were to pass such legislation it would be akin to passing a major tax increase on all in Michigan, with benefits going only to DTE.

If you share these concerns you may be well advised to take a few minutes to write your State Senator and/or Representative and ask that this unjustified effort by DTE be stopped. Certainly increases of rates that are already the highest can only serve to further erode your ability to compete.

LOOKING AHEAD

In the next few weeks we will be assembling information on the Tool & Die Recovery Zone legislation recently enacted in the State of Michigan. Meetings to which MTA has been invited have been held and we anticipate recommendations will be made to make the legislation more "user friendly". We will keep you posted.

We are very pleased with the response received for the Seminar "Changing the Ground Rules-Cutting Lead Time in Job Shops and Custom Manufacturing Environments". There are over 50 registrants (being held Feb. 3, 2004).

Inside This Issue

MTA Calendar of Events - February

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

3 Seminar **"Changing the Ground Rules-Cutting Lead Time in Job Shops and Custom Manufacturing Environments"**
8:30 a.m. - 10:30 a.m.
Registration begins at 8:00 a.m.

10 Dinner Meeting **"The Automotive Future"**
(see page 8 FYI for details & location)

18 MTA Board of Directors meets

19 MTA WCF Board of Trustees meets

Mark's Remarks

by: Mark Tyler, General Manager
MTA Insurance Agency

The Single Most-Important Thing Small Employers Can Do To Help Keep Blue Cross Rates Down

Companies with April and May renewals are getting or have gotten the Rate Renewal Certification packets from the Blues that are necessary to calculate your rates under the "Small Group Market Reform Act" passed by the Michigan Legislature in the latter part of 2003.

The single most important thing you need to do is fill out the Rate Renewal Certification form and provide your latest Quarterly Wage Detail Report.

This is so important and alien to what has been done in the past, so let me say it again. **The single most important thing you need to do is fill out the RATE RENEWAL CERTIFICATION form and include your most current QWDR.**

Companies that have BCBSM that fail to return the above, or that provide incomplete certification information, will receive a number of warning letters from BCBSM **before being placed in the highest rating category as a non-reform group.** At the present time groups will not be cancelled for not providing the information, but they will pay, pay, pay.

The certification forms will be mailed out approximately six months before your rate renewal. You have 21 days to return the information, so don't let it just sit on someone's desk or get misplaced.

When you receive your package, please call either myself (Mark) or Pat at MTA with any questions or anything we can help you with; also please fax to MTA a copy of the completed form so that we can catch any discrepancies before Blue Cross receives it. This will save you a lot of time and, of course, a lot of the green stuff.

The Blues have issued the following statement on this mandate:

"Market reform legislation is now the guiding force for providing Michigan's small groups with health-care coverage at competitive rates and making the marketplace fair for all carriers. But, without the cooperation of everyone involved, from Blue Cross Blue Shield of Michigan and Blue Care Network to its agent community to its customers, the day when we see rates begin to stabilize and the playing field leveled for all will be continually pushed further back. We are doing our part by providing communications that make as clear as possible the consequences to our customers of not participating in the process and the rewards of doing so."

You can reach us at 248-488-0300 or e-mail to mark@mtaonline.com or pat@mtaonline.com.

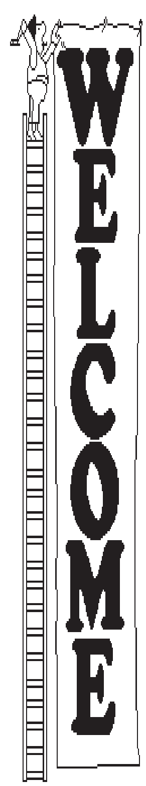
A Paradox?

A manufacturing company can move its factories to Mexico because it's a free market. An automotive company can out-source to a Chinese sub-contractor because it's a free market. A major bank can incorporate in Bermuda to avoid taxes and claim it's a free market.

BUT, heaven help the elderly who dare to want to buy their prescription drugs from a Canadian pharmacy. How Un-American!

Welcome New Members!

We would like to take this opportunity to welcome the following new members to the Michigan Tooling Association.



- **Bowers Manufacturing Co.** of Portage, specialists in extruding, fabricating & mechanically finishing and anodizing aluminum;
- **Calhoun Foundry Company, Inc.** of Homer, manufacturers of gray & ductile iron castings from ½ lb-50 lbs;
- **Diamondback Abrasive** of Bloomfield Hills, specializing in diamond grinding wheels;
- **Michigan Mold Inc.** of Coloma, specializing in mold polishing and CNC production machining services;
- **Motor City Mold, Inc.** of Plymouth Twp., specializing in tool & die and plastic injection molding; and
- **Tech-Line Engineering** of Warren, specializing in the design & build of special machines, sheet metal fastening systems and assembly equipment.

Legislative Update

by: Judy Augenstein
Legislative Consultant, Lansing

The legislature returned on January 14th to tackle the 2004 budget shortfall and to continue work on other legislative issues.

State lawmakers spent much of the 2003 year occupied by a budget deficit that would not go away. Lawmakers proved up to the task of tackling the thorny budget issue, despite their limited experience. Fifty-four new representatives and 29 new senators took offices in January. Overall, nearly $3 billion in budget shortfalls had to be dealt with over the past 12 months.

On the last day of session the legislature wrapped up the latest fix to the budget crisis. The action means taxpayers will wait until July 1st for a small income tax cut that had been slated for January 1st. Schools will take a $100 per pupil cut and universities will take their fourth cut this year. The last pieces of the budget dilemma fell into place when House Republican leaders signed off on the income tax pause in return for an extra $12 million in cuts and an enhanced tax cut for businesses that offer health care coverage to their Michigan employees. The income tax reduction delay means an extra $77 million coming into state coffers, lessening the need for additional cuts.

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Legislative action will continue on a package of bills designed to assist the ailing manufacturing industry. Bills designed to provide a small business czar and a manufacturing czar are included in the package. Because of the loss of so many manufacturing jobs to foreign countries, state tax revenues have dropped, creating the budget crisis. Completing action on the manufacturing crisis package is at the top of the legislative priority list for 2004.

Two of the manufacturing crisis bills to complete legislative action were designed to help the tool and die industry. SB 825, sponsored by Senator Jason Allen (R-Traverse City), creates up to 20 tool and die renaissance recovery zones that would provide exemptions from real estate and personal property taxes, SBT and local income tax deductions, with the consent of local units of government. SB 811, sponsored by Senator Nancy Cassis (R-Novi), reinstates the personal property tax exemption on special tools originally passed into law in 1964. Over time the definition of specialty tools has been re-interpreted and recent court actions have eliminated the exemption. Therefore, it was necessary to have the tool and die industry advocate, Senator Nancy Cassis, introduce legislation to fix the problem.

A Toolmaker's Dictionary

Toolmaker - a gambler who never gets to shuffle, cut or deal;

Bid Opening - a poker game in which the losing hand wins;

Bid - a wild guess carried out to two decimal places;

Low Bidder - a toolmaker who is wondering what he left out;

Engineer's Estimate - the cost of tool making in heaven;

Project Manager - the conductor of an orchestra in which every member is in a different union;

Critical Path Method - a management technique for losing your shirt under perfect control;

Strike - an effort to increase egg production by strangling the chicken;

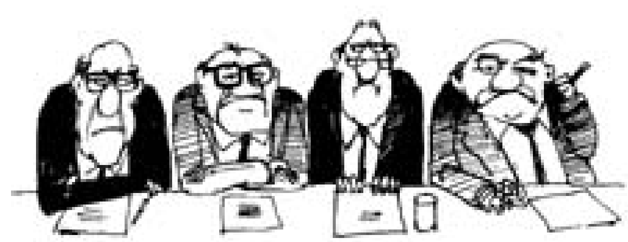
Delayed Payment - a tourniquet applied at the pockets;

Completion Date - the point at which liquidated damages begin;

Liquidated Damages - a penalty for failing to achieve the impossible;

Auditor - people who go in after the war is lost and bayonet the wounded; and

Lawyer - people who go in after the auditors and strip the bodies.



From the Desk of Gary Wood

Administrator MTA Workers' Comp Fund

It has been two months since I have written an article for ***Tool Talk*** and it seems longer. The past two months have been somewhat of a blur due to the Holidays, the normal renewal work (with the added impact of limited markets for the excess insurance) and the fact that right in the middle of the process the doctor called and told me to get to the hospital for a little surgery. As it turns out, it was nothing but seven hours in the hospital and the weekend in bed.

My reason for mentioning this is not to get your sympathy but to pass on some information that should not have, but did, take me by surprise:

IT IS REALLY EXPENSIVE TO HAVE ANY MEDICAL TREATMENT.

Thank you, Blue Cross, for being there when the bill came in at $13,000! That comes to $1,850 an hour for the time spent in the hospital. The cost for actual treatment was probably much higher but the first two hours I read magazines from 1999 while I waited for the doctor and the last nearly four hours I spent either sleeping or talking to my family while I waited to get released.

So what, you say? The so what, or the rest of the story, is that the cost of medical treatment has been accelerating faster than the general inflation or the cost of any other single thing you come in contact with on a daily basis (this statement includes prescription drugs). If the automotive industry had the pricing flexibility of the drug industry, you would be anteing up about $100,000 to buy a Taurus.

The cost of medical is not limited to the monthly bill on your Blue Cross bill going up by double digits percentages. The Workers' Compensation Fund has to deal with the increasing cost of medical while trying to keep the payroll rates in line for premium charges to the members as well.

It is a general rule that the cost of medical is about 80% of the total cost of claims. You did not have to be working on the Mars rover very long to recognize that if you increase the amount spent on a component that makes up 80% of your expense, the cost of the product has to react accordingly at some point in time.

It is not like we can reduce our profit margin and eat the increases: the Fund operates as a non-profit organization.

Believe it or not, we spend a lot of time collecting statistics and records. We are required to report everything we do to more people than you can imagine, so we have lots of detail. A dramatic example of what is happening at the Fund is that for 2001 and 2002 we averaged about 720 medical bills per month, totaling about $307,000 per month. The year just ended showed remarkable change: the average monthly medical bills totaled 980 and the cost skyrocketed to nearly $430,000! THAT IS A 40% INCREASE.

Don't imagine that the Fund is doing something to cause this; the simple fact is that more claimants are seeking more treatment and the cost of that treatment has gone up.

The most important thing you can do is to control your losses, and do whatever is necessary to diminish losses or prevent your employees from becoming injured in the first place.

As an example, we have a very fine member of the Fund that was having a wonderful year as far as claims go. The early result was that they were looking at a 12% loss ratio for the entire year. That all came to a screeching halt when in the middle of December they suffered a claim which seriously injured an important employee and moved their loss picture into something close to a 150% loss ratio.

Again you might say, so what? The rest of the story is that this company is the most proactive in the Fund when it comes to loss control. It can happen to you; just because nobody has been seriously injured lately does not mean you are exempt from having a claim. It just makes sense to stop the claims because you are limited in what you can do to control the medical cost of the claim once you have one.

I always look at what I said in the past before I write a new article and I noted that for the last two years I predicted that the Fund would have to charge more for the coverage due to influences beyond our control (increased medical and decreased investment returns by the excess markets to name two).

However, due to diligence, **the Fund did not raise rates in 2004!**

Did some companies cost go up?
Yes, some companies experienced a cost increase.

Did anybody call to discuss the renewal quotes?
Lots of people called to discuss their renewal quotes and most of the questions were already answered by the information that was attached to the renewal billing.

Did the Fund Trustees do everything they could to control costs?
Yes they did.

Did the Fund members do everything they could to control costs?
You tell me; did your company follow all of the loss control recommendations and handle all claims in an expeditious manner? (Don't get me started on reporting claims in a timely manner!)

Really, the future of the Fund is in the hands of the members. We rely on you to do everything you can to keep the costs down and you rely on us to do everything we can to keep the costs down. It goes both ways.

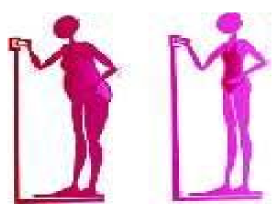
Have a Happy Valentines Day!

Economic Talk – The Dana Viewpoint

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

Carbo Country

Dieting is at the top of everyone's New Year's resolutions, and what better and easier way than to eat all the protein you want and lose weight. Even McDonalds has joined the Atkins craze. The economy and corporations specifically joined the weight watchers last year as they dropped the carbos and got lean and mean.



GDP (Gross Domestic Product) exploded in the third quarter, advancing at an 8.2% annual rate of growth and corporate profits followed suit. Interest rates did their part by shedding points and achieving a waist size not seen in forty years. The current administration did its part by downsizing income taxes leading to a housing boom and increased consumer spending. Is this trend (fad) really healthy for the long term?

We are loathe to make predictions one year out as some of you may actually save this and laugh at us one year hence. Nevertheless, we feel we can do no worse than that great modern day philosopher, Donald Rumsfeld, who last February said, "There are known knowns, there are things we know we know. We also know there are known unknowns; that is to say, we know there are some things we do not know. But there are also unknown unknowns, the ones we don't know, we don't know." So here goes.

1. GDP will grow stronger than most economists predict but not at an 8.2% annual rate. We look for 5% growth.

2. Latest reports show that US manufacturing surged to its highest gains since 1983. Manufacturing jobs will be coming back, and the production side of the economy will be the strength this year, not the consumer side.

3. As this is an election year, the administration and the Fed will do everything in their power to make sure the economy is on solid footing come November.

4. Even with strong economic growth, inflation will not be a factor; hence, interest rates will not rise precipitously as the Fed will want to make sure the economic recovery is sound. The yield curve will flatten somewhat as short-term rates rise more than long-term rates. This bodes well for investments in adjustable rate securities whose coupons will rise with interest rates. Pre-payment speeds on these assets will also decline further enhancing their return.

5. The dollar will decline further, but not much, as it is close to the levels seen from 1987 to 1997. This will further enhance economic growth especially for our multi-national corporations. The more reasonably priced dollar will also spur foreign nations to move some of their manufacturing plants to the US, particularly the foreign auto companies, thus creating more jobs here.

6. The price of oil will move to $40 a barrel because of high demand from China and Japan as their economies continue to grow. Also, as oil is priced in dollars, producers (Middle East) will have to offset currency losses with higher prices. Our continuing productivity gains will hold off any inflation from oil prices.

7. Commodity prices will remain strong because of the demand created by surging world wide economies. Gold will reach $500 an ounce. Most of this demand is a result of fear – fear of currency dislocations and fear of continued terrorist attacks.

8. It will be an interesting year (again) for the stock market. The upward trend in stock prices will continue with more emphasis by investors placed on high quality large cap stocks, and those paying dividends.

9. Democracy will continue to flourish around the globe followed closely by capitalism as we set the table (low carbs of course) for the next economic boom.

10. China/India. This issue is too big to be covered in a few sentences; however, we will be discussing this topic in more detail in the future as these two countries move center stage in the worldwide democracy/capitalism future we see.

- Mike Dana is CEO of Dana Investment Advisors, Inc. They have been the investment manager for various MTA funds over the past decade. Dana Investments is headquartered in Brookfield, Wisconsin and Seattle, Washington. Their advisors have appeared on several TV news programs, including "Wake Up Call" on CNBC. The views of the Dana Viewpoint are solely theirs and do not necessarily represent the viewpoint of the Michigan Tooling Association.

Law Talk

CHOICE OF ENTITY REVISITED AFTER THE 2003 TAX ACT

by: Paul L.B. McKenney, Esq.
Raymond & Prokop, P.C.

The upheaval in taxation of various classes of individual income under the 2003 Tax Act mandates a re-evaluation of the old choice of entity debate for both new and existing enterprises. While the nuances of any such discussion exceed available space, I will proffer some thoughts.

Planninq for New Entities (and to Consider With Existinq Businesses)

For the reasons that follow, as a general rule after the 2003 Act, as before, a new entity probably should be tax-wise a pass thru entity, such as an S corporation or LLC, absent unusual securities law restrictions, marketing of securities concerns or other special circumstances. Three key points of the new Tax Act are as follows:

1. Ordinary income rates were reduced. The top marginal individual rate declined from 38.6% to 35% effective January 1, 2003;
2. "Qualified dividend income" to individuals, effective January 1, 2003, is now taxed at a maximum of 15% rather than up to 38.6%; and
3. Individual long-term capital gain, including such gain from pass thru entities, is likewise taxed at a maximum 15% rate. The effective date is generally for transactions on or after May 6, 2003.

You may have heard why should anybody want to be anything other than a C corporation since C corporation dividends are now taxed at a 15% rate? Conversely, ordinary operational profits from an S corporation or LLC are taxed to individual owners at up to 35%. Setting aside employment and self-employment tax issues, the following example exposes the "15% is less" fallacy.

$100 Current Distribution Example:

	C Corp.	*S Corp.*	*LLC(Form 1065)*
Gross Profit	$100.00	$100.00	$100.00
Less Entity Level Tax	-$35.00	$0.00	$0.00
Owner Distribution	$65.00	$100.00	$100.00
Individual Tax	-$9.75	-$35.00	-$35.00
Net To Owner	**$55.25**	**$65.00**	**$65.00**
%%% of Tax	**44.75%**	**35.00%**	**35.00%**

The example simply illustrates one undeniable fact of mathematics. In a C corporation, the 35% corporate tax followed by a 15% individual level tax on what is left is more costly to the individual taxpayer than one 35% tax. Many commentators who have touted a move to the C corporate form may have lost sight of the fact that nothing in the law changed the fact that dividend distributions are non-deductible.

If profits are not distributed to owners, then the maximum tax rate, 35%, is the same for C and S corporations and individually owned LLCs. Prior to the 2003 Tax Act, the C corporation rate had been lower than the higher individual rate.

Tax-wise, the second major concern is that someday most entities will be sold or exchanged in a taxable transaction. When an enterprise is sold, the purchaser usually strongly prefers to purchase assets rather than stock for two reasons. The first is a very expensive tax driven rationale. If a purchaser acquires stock, it is effectively saddled with the "old basis" of the target for its assets, commonly known as the "inside basis." A stock sale is generally advantageous to the purchaser in the rare factual setting where the fair market value of the assets is less than the inside basis. For even a modestly prosperous business, the value of the corporate assets usually substantially exceeds inside basis, and the purchaser seeks an asset sale to obtain an elevated "inside basis." The purchaser then begins depreciation and amortization against the higher inside basis. Even most intangible assets, such as goodwill and going concern value, can be amortized by an asset purchaser. The second reason purchasers generally prefer an asset purchase is that the purchaser may be able to contractually limit its liability by excluding specific known liabilities as well as by not taking subject to many (but not all) unknown and contingent liabilities. The following example presumes that assets have a fair market value of $100, the corporation's inside basis is $20, and the shareholder's stock basis is $10. What happens upon sale?

Asset Sale Under C Corp. vs. S Corp. Scenarios

	C Corp.	*Pass Thru*
Sales Price	$100.00	$100.00
Entity Level Gain	$80.00	$80.00
Entity Level Tax	$28.00	$0.00
Available to Owners	$72.00	$100.00
Shareholder Level Tax*	-$9.30	-$13.50
Net To Owners	**$62.00**	**$86.50**
Tax Savings With Pass Thru		**$23.80**

* The S corporation asset sale produces a $80 flow thru of capital gain and thus increases stock basis from $10 to $90. Upon the corporate distribution of $100, the shareholder recognizes a gain of ($100 less $90) $10. The combined gain of $90 is subject to a 15% tax equaling $13.50.

As this simple example demonstrates, because of the corporate level tax, it is far less expensive on asset sale to operate as an S corporation. Let us assume that because of the substantial benefit of a stepped-up basis on an asset sale, a purchaser agrees to buy stock will only pay $80 rather than $100. This is a very realistic assumption in many situations. The Federal income tax consequences of the sale are as follows:

C Corp. Stock Sale @ $80 vs. S Corp. Asset Sale @ $100		
	C Corp.	*Pass Thru*
Sales Price	$80.00	$100.00
Entity Level Gain	N/A	$80.00
Entity Level Tax	$0.00	$0.00
Available to Owners	$80.00	$100.00
Shareholder Level Tax	-$10.50	-$13.50
Net To Owners	**$69.50**	**$86.50**
Pass Thru Savings		**$17.00**

Dealinq With Existinq C Corporations

There are some opportunities for C corporations with available cash to now start distributing dividends at the 15% rate since the 15% dividend rate is scheduled to sunset after 2008. Presidential and Congressional elections between now and then will determine how long the 15% rate lasts. An example of a post-2003 Tax Act opportunity is for C corporations that now have substantial passive income (i.e., over 25%) to elect S corporation status and minimize the impediment to thousands of C corporations in that situation. If a C corporation elects S status and if it has C corporation earnings and profits for three consecutive years, then S election automatically terminated at the beginning of the fourth year. By dividending out at the 15% rate the C corporation's earnings and profits, such entities can now elect S status at a far cheaper top dividend rate of 15% as opposed to 38.6% before the 2003 Tax Act, and avoid the automatic termination rule.

Action Step

We have repeatedly found it helpful if you meet with your accountants, whatever type of entity you may be, to explore planning opportunities after the 2003 Act. In our experience, highly beneficial action steps have resulted from such meetings.

S CORPORATIONS, PARTNERSHIPS AND LLCs RESPONSIBLE TO COLLECT NEW MICHIGAN WITHHOLDING TAX

by: Sean H. Cook, Esq.
Raymond & Prokop, P.C.

The Michigan legislature has closed a compliance gap on Michigan based income that flows to out of state shareholders.

Michigan has enacted a law effective October 1, 2003, requiring flow-through entities (S corporations, LLCs, and partnerships) to withhold income tax on Michigan sourced taxable income which is allocable to non-resident owners. The new withholding tax will operate similar to the Michigan withholding, sales, and use taxes. The new tax is not a tax increase, instead it is a mechanism to ensure that Michigan tax owed by non-residents is actually remitted. Affected non-residents can claim the amount of withholding tax as a payment on their Michigan Non-Resident Return. This new withholding tax is in addition to the withholding tax on wages that a non-resident is paid, but does not affect in any way a flow-through entity's Single Business Tax requirement or return.

Example: Father and Son Tool and Die Company is an S corporation and is owned 50/50 between Dad and Son. Dad lives in Florida. Son works the business in Michigan. Ninety percent of the 1Q net profit of $100,000 is from Michigan activity. The Company will have to withhold taxes on $45,000 due on April 15, 2004 along with its other withholding taxes.

Companies or partnerships that make periodic draws and distributions will have to figure out a method to compensate for the withholding taxes because, in essence, the amount of withholding is a distribution to the applicable nonresident owners. Companies or partnerships that do not make draws or distributions may need to either begin doing so or make other compensating adjustments. If the amounts of withholding tax are going to be significant and apply to fewer than all of the owners, then amending the partnership agreement, operating agreement or shareholders agreement may be necessary.

It is critical to begin tax planning now so that taxes can be remitted by the due date. Failure to withhold or remit taxes can subject the entity and its owners to assessment of the tax and penalties. See your tax preparer for the compliance details.

About the Author: Sean H. Cook, Esq. is a partner with Raymond & Prokop, P.C. who specializes in entity planning and structuring, general corporate law and tax law, including estate taxes. He is also a CPA and previously practiced as a CPA for several years before practicing law.

The Marketplace

Personnel Available:

Operations Manager seeks position utilizing production facility management. Over 20 years experience working in industrial manufacturing, including tooling and production control, purchasing, budget, cost control and estimating. Oversaw all pressroom, welding, painting and assembly processes, supervised plant maintenance & engineering department; worked on QS9000/ISO 9001 certifications. Ask for **Resume 04-02**.

FYI

Two new Directors have been added to the MTA Board of Directors and they will take office in April 2004. They are:

Charles Barnes of **Paramount Boring & Machine**; and
Chris Kirsch of **Interstate Tool & Die Company**.

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"The Automotive Future: It's the Law of the Jungle" has been rescheduled for Tuesday, February 10th at the Club Venetian in Madison Heights. It is co-hosted by the National Tooling & Machining Association & the Michigan Tooling Association, and the featured speaker will be Dr. David E. Cole, chairman of the Center of Automotive Research in Ann Arbor. To register please contact Joan Walsh @ 248-682-7610 or e-mail to ntmadetroit@aol.com.

MTA List of Endorsed Service Providers

- **Blue Cross Blue Shield of Michigan/Blue Care Network** (health insurance)
- **Federated Insurance**
  (property & casualty insurance)
- **Fortis Benefits**
  (life, s&a, and dental insurance)
- **Freedom One Financial Group**
  (401(k) programs)
- **John M. Packer & Associates**
  (unemployment programs)
- **LDMI**
  (long distance phone programs)
- **Lower Electric, LLC**
  (energy supply)

For more information, contact MTA at 248-488-0300.

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Dec 2003	179.9	536.0	623.2*
Nov	180.2	536.7	624.2*
Oct	180.7	538.2	626.0*
Sept	181.0	539.2	627.0*
August	180.3	537.1	624.6*
July	179.6	535.0	622.2*
June	179.6	534.8	622.2*
May	179.4	534.3	621.5*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Dec 2003	184.3	552.1	642.1*
Nov	184.5	552.7	642.8*
Oct	185.0	554.3	644.5*
Sept	185.2	554.7	645.2*
August	184.6	553.0	643.1*
July	183.9	550.9	640.7*
June	183.7	550.4	640.0*
May	183.5	549.7	639.3*

Note: December 03 CPI-W represents a 1.6% increase from one year ago; CPI-U 1.9% 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

TOOL TALK

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TOOL TALK is distributed free to all MTA members

Deadline for submission of news, articles, letters, cartoons and Marketplace items is the 15th of each month.
Send to **MTA - Attention: Tool Talk Editor**