



# TOOL TALK

A Publication of the Michigan Tooling Association

## From Rob's Roost

by: *Rob Dumont,*  
*Managing Director*



### Did The President Take Econ 101 & Did He Pass?

It is about the economy! That has never been more certain, certainly in the State of Michigan!

The politicians are attempting to “spin” the realities to favor their particular efforts to, and chances of, getting elected or re-elected.

The Labor Department tells us the economy added 75,000 payroll jobs in May while the predictions were that 167,000 would be added, an indication that the economy is slowing more than analysts on Wall Street and at the Federal Reserve have anticipated. I hear ruminations that Michigan can expect to lose an additional 60,000 manufacturing jobs by year’s end.

Manufacturing lost 14,000 jobs nationally in May after adding jobs in April. Overall, manufacturing has lost 3 million jobs since 2000, and the patterns of past expansions indicate it should have regained about 2 million by now. The huge trade deficit and the overvalued dollar (against the Chinese yuan) play key roles, destroying jobs in manufacturing and knowledge-driven service industries that pay above average wages. In turn these conditions suppress wages in communities dependent on manufacturing and other more established industries.

Unemployment fell to 4.6 percent largely because more adults chose to not participate in the job market. If these adults were participating in the job market at 2000 levels, 2.7 million more people would be listed as looking for work and the actual unemployment rate would exceed 6 percent.

The continuing patent refusal of the current administration in Washington to take a stand on key issues with China, most notably currency manipulation is, in my view, nothing short of shameful!

In speaking with members of Congress, the assessment of our President remains firmly that “he just doesn’t get it” or “he simply doesn’t care” when it comes to manufacturing. In my view, it matters not which quotation is more accurate as neither is acceptable.

Our numbers at MTA, in terms of membership, have declined somewhat and while that might be expected given the decline in manufacturing, numbers are critically important in my efforts in Washington and Lansing. I would ask, no, I would urge you to do your best to persuade any of your colleagues who are not MTA members to consider joining. Let us know who they are and we will take it from there.

Many of you have taken advantage of the seminars on Bankruptcy and Lien Act we have conducted with the assistance of Lynn Brimer and Dennis Loughlin of the law firm Raymond & Prokop. Some of you, if not all, will have read or heard that that firm has decided to discontinue operations.

In the result Lynn Brimer and Dennis Loughlin will continue to practice, together with a number of other colleagues

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### MTA Calendar of Events — June 2006

Remember to visit the MTA website at [www.mtaonline.com](http://www.mtaonline.com)

- 07 MTA & NTMA sponsored dinner presentation:  
“**The Urgency of Border-Adjusted Federal Taxation**”  
5:30pm @ the Club Venetian in Madison Hts.  
RSVP Anne Cairns 586-77-5568 / [detroitntma@aol.com](mailto:detroitntma@aol.com)
- 15 MTA WCF Board of Trustees meets
- 21 MTA Board of Directors meets
- 22 MTA 71st Annual Golf Outing & Dinner  
Held at Fox Hills Golf Club in Plymouth



# Mark's Remarks

by: Mark Tyler, General Manager  
MTA Insurance Agency



## BCN Extends 90-Day Rx Discounts

BCN now allows members taking maintenance drugs for chronic conditions to purchase a 90-day supply at most retail pharmacies and pay only two copayments instead of three. Previously, this discount was available only if members ordered their medications through BCBSM's mail order vendor.

This discount program started April 17th and replaces the Maintenance Drug List that allowed members to receive up to a 100-day supply of selected medications. Most pharmacies throughout the state are part of the program, with approximately 1,850 of 2,200 retail network pharmacies in Michigan participating.

Members that have received up to a 100-day supply of maintenance drugs through the Maintenance Drug List will be affected by the new program in two ways:

- \* They will continue to receive any current prescriptions for one copayment. If their doctor prescribes new maintenance medications in the future, they can get a 90-day supply for two copayments.
- \* About 2,000 of these members now receive their medication from a pharmacy that is not yet participating in the 90-day discount program. Members can continue to obtain their current prescription at these pharmacies, but for new prescriptions, members will need to use a participating pharmacy.

Members can check participating pharmacies by visiting [www.MiBCN.com](http://www.MiBCN.com) or by calling Customer Service at 800-662-6667.

Why is this important? Lowering out-of-pocket costs makes it easier for members to comply with their drug therapy, thus helping them better manage their diseases. It's been shown that better disease management decreases emergency room visits and hospitalizations and improves the member's quality of life.

## BCN Seeks Updated Coordination Of Benefits Information

**Claims may be denied if accurate COB information is not provided.**

Blue Care Network is intensifying its efforts to obtain accurate Coordination of Benefits information from members, which will result in cost savings and improved customer satisfaction. Effective immediately, if members do not provide timely and accurate COB information to BCN, their claims may be denied.

If BCN hasn't received an update on a member's other health coverage for more than a year, BCN will withhold payment on pending claims and will send a request for updated information to the member. The member has 45 days to respond. If the member provides the information, claims will be processed appropriately. If the member fails to supply the requested information on other carriers, BCN will deny the claim that initiated the inquiry.

## MTA Dental and Life Insurance Programs Get New Carrier

Effective July 1, 2006, MTA's dental and life insurance programs will be underwritten by Reliance Standard Life Insurance/Ameritas Dental. This change allows MTA to continue to offer the best programs for the lowest cost anywhere. With the enhancements of this new carrier, we will have a program that is second to none!

If you are currently in our dental and/or life program, your benefits will remain the same as will your rates. Life insurance rates are guaranteed for the next 24 months and dental insurance rates are guaranteed for the next 12 months! MTA will continue to process your bills and make all employee updates.

If you have any questions, or would like a quote, please contact Mark Tyler at 248-489-8505.



(Rob's Roost continued from Page 1)

from Raymond & Prokop, at the law firm of Strobl & Sharp in Bloomfield Hills (248) 540-2300. I am assured that they will be pleased to assist, from their new location, any of our members who have issues relative to Bankruptcy and/or Lien Laws.

The MTA Golf Outing is coming up—we have, I am told, one of the longest running consecutive annual golf event in the country. The outing is always a fun event with lots of great golf, good company and fun, terrific food and prizes so be sure you make your reservations ASAP for the June 22<sup>nd</sup> event.

I hope to see many of you on the 22<sup>nd</sup> at the Golf Outing!

## Golf Test

### The Questions:

In 1923, these men were considered some of the world's most successful of their day, who were they and what ultimately became of them:

1. President of the largest steel company, Bethlehem Steel?
2. President of the largest gas company at the time, Associated Gage and Electric Co.?
3. Chairman of one of the largest utility companies, later to become General Electric?
4. Greatest wheat speculator?
5. President of the New York Stock Exchange?
6. Great Bear of Wall Street?
7. Secretary of the Interior under President Harding and a former US Senator?
8. The head of one of the world's greatest monopolies?

### The Answers:

1. The president of the largest steel company, Charles M. Schwab, died owing money.
2. The president of the largest gas company, Howard C. Hopson, went insane and died with no money.
3. The president of the largest utility company, Samuel Insull, died of a heart attack in a subway with 20 cents in his pocket.
4. The greatest wheat speculator, Arthur W. Cutten, died penniless.
5. The president of the New York Stock Exchange, Richard Whitney, was sent to prison on embezzlement charges and died broke.
6. The Great Bear of Wall Street, Jesse Livermore, committed suicide in a hotel after losing his fortune several times over.
7. The Secretary of the Interior, Albert Fall, was sent to prison for accepting a bribe and died broke and in ill health.
8. The head of one of the greatest monopolies, Ivar Kreuger, claimed the largest bankruptcy of his time and died in a questionable suicide/murder.

### The Exception:

In the same year, 1923, the PGA Champion and prior year US Open winner was Gene Sarazen.

### What became of him?

He played golf until he was 92 and died in 1999 at the ripe age of 97. He was financially secure at the time of his death.

### The Moral:

Screw work. Play golf. You'll live longer, be in better health and be better off in the end!

## Legislative Update

by: *Judy Augenstein*

*Legislative Consultant, Lansing*



Senate Majority Leader Ken Sikkema (R-Wyoming) and Speaker Craig DeRoche (R-Novi) announced the creation of a special legislative "Joint Committee on Economic Growth" to study options for replacing the SBT.

"The Single Business Tax is a liability for Michigan because of the stifling effects it has on economic growth," said Sikkema. "This joint committee has a difficult, but necessary task ahead of them. We must find a way to replace the SBT with a responsible and pro-growth business tax structure if we want to put Michigan's residents back to work in Michigan."

Sikkema added that he's committed to getting the job done on an SBT replacement "even if it's the last thing I do in office."

DeRoche labeled the SBT as a tax on people's jobs and said that it "must be replaced with a fairer business tax that helps create jobs. That won't be an easy job, but it's a necessary one."

The committee will also be looking at how to protect the integrity of existing tax credits, including those related to the Michigan Economic Growth Authority (MEGA), brownfield redevelopment and renaissance zones.

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Governor Jennifer Granholm has signed a bill into law that would prevent certain 19-20 year olds from receiving Medicaid payments. According to SB 838, sponsored by Senate Minority Leader Bob Emerson, D-Flint, these people will be ineligible if their families are eligible for welfare payments. The bill received mixed reviews in the House and Senate passing the House 72-33 and passing the Senate 23-14, but moved to the Governor as part of the Fiscal Year 2006 budget agreement between the Republican led legislature and the Governor.

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We continue to work with Rep. Rick Baxter, R- Hanover, about tool and die legislative fixes to the Renaissance/Recovery Zone Act. Specifically, addressing the employee cap. MTA member **Mol-Son** has presented a unique but simple approach to the issue. Rep. Rick Baxter is taking the proposal under advisement and is leaning towards substituting existing legislation in an effort to quickly attain our goal to remove the cap from the Renaissance/Recovery Zone Act.

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The Legislature is attempting to finish work on all budget bills so they can recess in early July to campaign for the August primary elections.

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# From the Desk of Gary Wood

MTA WCF Administrator



## It's Dividend Time In Michigan!

Forget the cherry festival, the tulip festival, the lakeshore festival, and the summer holiday parades! It is MTA WCF members' favorite time of the year: **DIVIDEND TIME IN MICHIGAN!**

The Trustees have released the previously approved \$2.8 million asset distribution! It is planned that the checks will be cut over the next several weeks and signed at the Trustees' June meeting. There are a lot of "jobs" to do before we get about sending out the information; but it is coming just as soon as the programming, the physical act of compiling information, verifying information, printing checks and signing them can be completed.

By the time you see the July **Tool Talk**, you will either have your check (if you qualify) or the date the checks were released will be available to you.

Over the life of the Fund (30 years), nearly \$75,000,000 has been returned to Fund members. I recall one member calling me a few years ago to thank the Trustees for his check; he said that check was the first money he had made in a year! The Trustees have made every attempt to keep this pipeline flowing and add to the value of being a member.

Last renewal a member called with a comment that expressed the real reason for the Fund. They had received a quote from their old insurance agent and insurance company they had been with before joining the Fund. That company had priced their quote to be about the same price as the Fund. The comment to me was; "even if they had been \$10,000 cheaper we would have stayed with the Fund for the loss control and claims handling you cannot get anywhere else."

### **IRONY:**

Every year when the dividend goes out, I cringe because I know in most cases the right person—the owner—doesn't even know they got it and subsequently does not relate it to the cost of the coverage. Owners are busy, they have other people to look at these things but they need to know the price they are paying for the coverage they are getting.

How do I know this? Every year some owner or their widow calls in and says: "we spent thousands of dollars with the Fund and never got a cent of the dividend you promised." Invariably we have records which substantiate the dividends being sent which significantly reduced the cost of the coverage.

Several times we have been threatened by attorneys because the former members cannot find the money we sent them. My guess is the bookkeeper applied the money to the wrong account because they did not know what they were getting and it is easy to just put it in the bank and worry about it later. And later never comes!

### **MORE IRONY:**

Another example of the staff not telling the owner what is going on.

I was requested to call an owner about a complaint. The owner was really irate because we had completed a loss control inspection a month ago and they just had a MIOSHA inspection where they received a fine for a missing guard!

They were upset that we had not advised them of the problem and continued to say we had not completed an inspection of their facility in "years". Immediately we reviewed the matter and discovered that we had annual written reports in our files going back more than four years. Each report cited 'missing guards' as an ongoing, unresolved problem and each report was directed to the person that we were told was responsible for loss control issues.

The loss control department responded by scheduling a meeting with the owner within the week to discuss the unresolved recommendations. On the appointed date, at the appointed time, Loss Control showed up. The owner was not there. Loss Control was shuffled to another person. That person told Loss Control—"No thanks, we don't need your help".

### **FUND POLICY:**

Every year at this time I remind you of the Fund's alcohol and drug policy. You should know that Fund membership requires a written drug and alcohol statement. We do not direct you as to what the program must say, just that you must have a program. Specifically:

**You must have a policy in writing.**

**The policy must be understood by all employees.**

**The policy must be strictly enforced.**

Last year statistics indicated that approximately 30% of work related injuries (statewide) where there have been drug and alcohol screenings, the injured person tested positive for measurable amounts of drugs and/or alcohol. As you look around you, who is doing something that could affect your safety and relate that statistic to you. How safe do you feel knowing that one in three of your fellow employees could be affected by some sort of intoxicant? Every day as I drive to work and notice the drivers around me I wonder how many of them are "driving with a load". It scares me into staying sober.



**THINK SAFETY, ACT SAFELY:**

Just yesterday we had our annual bad claim. I do not know right now if that truck driver was doing anything wrong, but I do know he tailgated another of his company's trucks and now he is in the hospital with severe injuries that most likely will impair his ability to perform normal life functions for a long time.

A moment of inattention? A slight impairment? Faulty brakes? No taillights? We do not know for sure but, please remember, it takes just a few seconds to make a mess of the rest of your life. Using your head to visualize the possible ramifications of your actions is, in my opinion, the most important aspect of safety and loss control.

### **In Memoriam**

It is with deep regret that we note the passing of Frank C. Bellisario, co-founder and owner of **SPM Industries, Inc.** on May 21, 2006 at the age of 66. He is survived by his wife of 41 years, Rosalie; 2 children, Frank Jr. and Dina Maconochie; and 1 grandchild.

SPM Industries, Inc. has been an MTA member since 1993.

Our sincere condolences go out to his family and friends.

### **In Memoriam**

It is with deep regret that we note the passing of T. Darrell Lee at his home on March 18, 2006 at the age of 70. Mr. Lee was owner and operator of **Phalanx Inc.** for over 40 years and formerly a partner of **Advance Precision Grinding, Co.** and **Martin Tool and Machine, Inc.**

He is survived by his wife, daughter, son-in-law and two granddaughters. Darrell Lee loved old cars, deep sea fishing and his grandchildren deeply.

Phalanx Inc. has been an MTA member since 1982, Advance Precision Grinding since 1982, and Martin Tool and Machine since 1984.

Our sincere condolences go out to his family and friends.

## **Feel the Heat**

The heat of summer is upon us. Use this OSHA QuickCard to recognize the signs of heat exhaustion and heat stroke, and know how to prevent them. Cut this out and post it where your workers can read it.



### **Heat Stress**

When the body is unable to cool itself by sweating, several heat-induced illnesses such as heat stress or heat exhaustion and the more severe heat stroke can occur, and can result in death.

#### **Factors Leading to Heat Stress**

High temperature and humidity; direct sun or heat; limited air movement; physical exertion; poor physical condition; some medicines; and inadequate tolerance for hot workplaces.

#### **Symptoms of Heat Exhaustion**

- Headaches, dizziness, lightheadedness or fainting.
- Weakness and moist skin.
- Mood changes such as irritability or confusion.
- Upset stomach or vomiting.

#### **Symptoms of Heat Stroke**

- Dry, hot skin with no sweating.
- Mental confusion or losing consciousness.
- Seizures or fits.

#### **Preventing Heat Stress**

- Know signs/symptoms of heat-related illnesses; monitor yourself and coworkers.
- Block out direct sun or other heat sources.
- Use cooling fans/air-conditioning; rest regularly.
- Drink lots of water; about 1 cup every 15 minutes.
- Wear lightweight, light colored, loose-fitting clothes.

# 2006 Third/Fourth Quarter Business Trends Survey Results

Many thanks to the 148 member companies that took the time to respond to the latest Business Trends Outlook Survey, which was sent with last month's issue of **Tool Talk**. The figures in the brackets are the responses from the survey done six months ago.

## 1. Describe your company's operation:

Tools & Dies	16%	(09%)
Special Machinery	09%	(09%)
Precision Machining	30%	(28%)
Molds/Die Cast Dies	02%	(01%)
Metal Stamping/Fabrications	08%	(11%)
Prototypes	05%	(03%)
Cutting Tools	12%	(11%)
Others	18%	(28%)

## 2. How is your business now?

Excellent	04%	(06%)
Very good	24%	(24%)
Good	30%	(39%)
Fair	33%	(27%)
Bad	08%	(03%)
Very bad	01%	(01%)

## 3. Over the next six months, your company's business will:

Increase substantially	06%	(04%)
Increase moderately	42%	(47%)
Remain the same	46%	(42%)
Decrease moderately	06%	(05%)
Decrease substantially	00%	(02%)

## 4. Current average work week:

Hours per week	44.7	(46.6)
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## 5. Current employment:

Hourly:	35.5	(33.1)
Salaried:	08.2	(07.4)

## 6. Compare to one year ago your current level of business:

		<u>Up</u>	<u>Same</u>	<u>Down</u>	
Quoting activity	35%	(47%)	39%	(42%)	26% (11%)
Shipments	36%	(56%)	34%	(26%)	30% (18%)
Order backlog	26%	(42%)	36%	(35%)	38% (23%)
Profits	30%	(43%)	35%	(28%)	35% (29%)
Employment	23%	(37%)	49%	(47%)	28% (16%)

# Comments From Our Members

A little slow right now... (molds/die cast dies)

Barring strike @ Delphi, we hope the worst is behind us. (machinery sales)

Better than 1999 by 20%. CMT invested in slow times and was ready for the up times! (tools & dies, special machinery)

Business is good, very good, finally. New business continuing to come on. (extrusion, fabrication & anodizing)

Business is steady, but we're hoping GM/Delphi don't bring it to a standstill. (plastics)

Customer money management is a daily exercise. Non-value added expense. (cutting tools)

Just can't sustain the volume long enough to hold onto any profits. (precision machining)

Net 30 days is laughable! (precision machining)

Nice upward trend over last few months. (tools & dies)

No fun! (cutting tools)

Raw material costs continue to be a worry. No relief in sight for calendar year 2006. (metal finishing)

Still very difficult. (cutting tools)

Substantial increase in business 2006 & 2007. Long term customer focus to move business out of the USA (Mexico & China). (metal stamping/fabrication)

The Delphi issue has pretty much put a stop to much of the US auto business—hurry up and get this thing resolved so we know what will happen next! (tools & dies)

The economy is like standing on a sponge—things are moving but you sure don't have a good feeling about it. (fabrication & machine)

The last 3 months have been the best in 3 or 4 years! (precision machining)

The majority of our new business is all outside of the USA, including Mexico, South America, Asia and Europe. We have added an additional 11,000 square foot addition to handle the volume. (carbide cutting tools)

The recent downturn in our business was swift and unpredictable affecting all automotive & Tier 1 customers. (precision machining)

Tough to get orders. Margins low. (tools & dies)

We are struggling to break even, but usually we have to quote less than cost to retain any tool & die work. (tools & dies)

We are trying to hire, but cannot find qualified machinists. (precision machining)

We have done well for 3 years, but had to adapt to changes in business climate. (fabrication)

Who can you trust? (special machinery)

## MTA's 71<sup>st</sup> Annual Golf Outing & Dinner



You can have the chance to win a 2007 Chevy Tahoe, a loaded 2007 Chevy Corvette, and even \$1,000,000! All you have to do is attend the MTA Annual Golf Outing at the Fox Hills Golf Club in Plymouth on June 22, 2006 and hit a hole-in-one. We've seen some close calls in the past, but we're still waiting for someone to win—this year it could be you!

The outing features a shot-gun start; lunch on the turn; open bar in the clubhouse and beer & sodas on the course; dinner including hors d'oeuvres, a delicious buffet and premium open bar; and then prizes galore.

Tickets are \$185 per person for golfers and \$90 per person for dinner only. Visit our website at [www.mtaonline.com](http://www.mtaonline.com) for reservation forms, a map, and further information. Fax your forms in ASAP since tee and table assignments are made on a first come, first served basis.

We look forward to seeing you there!

## Off-the-Job Injuries Outpacing Gains in Workplace Safety

Contrary to popular belief, today's workers are safer on-the-job than they are at home or in their communities. According to the National Safety Council, recent gains in lowering workplace death rates (down 17% since 1992) have been undone by the rate of fatalities occurring off-the-job (up 14% during that same period). 2004 National Safety Council statistics show that twice as many workers were seriously injured while off the job than were injured while working.

Increasingly, businesses are recognizing the value of keeping their employees safe at all times both on and off the job. A National Safety Council study of 1,300 companies of varying sizes showed that among companies who have implemented off-the-job safety programs, 58% reported a reduction in injuries occurring outside of work. Research found that for every dollar businesses spend on safety, they realize a \$3 to \$6 savings. Employees value that you take time to remind them about safety, and they pay you back through loyalty, increased productivity and quality, and reduced absenteeism.



## Members In The News

**Columbia Marking Tools'** vice president of sales, Andy Ruzzin, has reported that in an effort to provide better coordination and expanded direct sales and service coverage for their customers and their national network of distributors and manufacturers' representatives, Columbia Marking Tools has appointed 2 new regional sales managers.

Mike Francisco will be handling the regional sales manager duties for 18 states in the south, southeast and midwest along with parts of Michigan. Mike Murphy will be handling Indiana, Ohio, Kentucky and parts of Michigan.

Columbia Marking Tools is a leading designer and manufacturer of metal and plastic marking equipment including stamps, roll marking dies, roll marking and impact marking machines, fully programmable peen/scribe marking and UID/2Dmatrix™ marking systems, numbering heads and special marking machines.

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

## The Marketplace



Personnel Available:

**Toolmaker/Machine Builder** with much experience seeks position utilizing his extensive skilled trade abilities. **Ask for Resume 06-06.**

## Welcome New Members!

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

- ❖ **Euro Tech Industries, LLC** of Clinton Twp., MI, specializing in precision machining and fabrication including welding, painting, bridgeport, CNC, and boring mill; and
- ❖ **Warren Broach & Machine Corp.**, of Sterling Hts., MI, specializing in broach manufacturing.



