

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association



FROM ROB'S ROOST
BY ROB DUMONT
PRESIDENT & CEO

It's Still About The Economy

Jobs continue to disappear not only in manufacturing and technologies but elsewhere as well. Could it be the result of the manufacturing multiplier? The multiplier theory is that every job

in manufacturing creates/supports (depending on who you believe) anywhere from one to three and a half other jobs in the economy.

The most recent cutbacks in employment that I have heard arise in the airline sector where Continental and United (separately) have announced that they will be cutting (collectively) 3000 jobs and grounding about 300 aircraft. Many will rush to the conclusion that fuel prices are the culprit in this scenario but I see that as the "too easy" answer. In my view if people were booking flights those 300 planes would continue to fly. Folks are very careful these days and are limiting their expenditures to the necessities. Optional air travel for the vacation or family purpose is increasingly seen as an unnecessary expense.



On the Washington front we continue our efforts in conjunction with a number of other associations and coalitions. Some progress is being made on the issue of Trade Agreements. The more radical approach advocated by some is that all existing trade agreements should simply be cancelled. Aside from being radical that view is at once both unrealistic and, frankly, unhelpful. Legislators and policy makers do not want to engage in nonsensical discussions, time is seen as being too precious.

The approach that many, including the TMTA, have favored is to place a moratorium on new agreements while a review of all existing agreements is

(Rob's Roost continues on Page 7)

Inside This Issue

- Page 2 TMTA Marketplace
Personnel Available
Equipment for Sale
Health News
- Page 3 Legislative Update
- Page 4 MTMIC: From the Desk of
Gary Wood
- Page 5 CPI-U / W—Inflation Talk
- Page 6 Business Trends Survey
Results and Comments
- Page 7 Rob's Roost
(continued from page 1)
TMTA Endorsed Providers
- Page 8 Welcome New Members
Golf Outing Information
4th of July Survey Results

tmta Calendar of Events June 2008

17	TMTA Board of Directors meets
19	MTMIC Board of Directors meets at TMTA offices
26	TMTA 73rd Annual Golf Outing & Dinner at Fox Hills Golf Club, Plymouth

Visit www.thetmta.com for detailed, up-to-date information.

TMTA MARKETPLACE

Personnel Available:

Tool and Die Worker with background as shop foreman, leader, journeyman mold maker, general machinist and tool welder seeks a challenging and rewarding position within the tooling industry that will benefit from his past work experience and strong work ethic.

Ask for Resume #08-06.

Certified CAD Operator seeks position within his field of computer aided drafting and design. Also proficient in the use of multiple utility software programs.

Ask for Resume #08-05.



Equipment for Sale:

This Offer For TMTA Members Only:

Konica black and white copier model #7155 with folding finisher, 3-hole punch unit, scanning capabilities, 55 pages-per-minute speed, large capacity tray, and 6,600 sheet total paper capacity. 5 years old.

Asking price: \$4,900.00

Contact: Jerry Morrow at TMTA at 248-488-0300 ext. 1308 or e-mail to jerry@thetmta.com.



Revised Coverage for College Students

BCBSM recently revised its certificates and riders to provide continued coverage for college students who take a leave of absence from school due to illness or injury.

The adjustment was made in accordance with a new Michigan state law, which went into effect January 1, 2008. The law requires continued coverage for dependent children who attend college full time. The continuation of coverage must last 12 months from the last day the child was in school or until the child reaches the age at which coverage would otherwise end, whichever period is shorter.

BCBSM Revising Member ID Cards

BCBSM is redesigning its member ID cards to meet Blue Cross and Blue Shield Association mandates. The purpose of the redesign is to give all Blues ID cards a similar look and feel so they're easier to use whenever they're presented.

BCBSM will begin issuing the redesigned cards in phases, beginning in June 2008, with all members receiving a new card by Jan. 1, 2011. Between now and Jan. 1, 2009, the issuance of new cards may seem random. Because of the process utilized by the conversion, some members of a group may receive a new card before other members of the same group. By Jan. 1, 2009, any newly issued or re-issued card will be in the new format.

The new cards list the enrollee name first; the contract number, now referred to as the enrollee ID, is listed second. Listed third is the issuer ID number which identifies the Blues plan that issued the card. The group number and plan code have been removed from the ID card. The cards will include a magnetic stripe that includes the issuer ID number, contract number including the alpha-prefix, subscribers name and date of birth. No health information is included on the stripe. The Blues plans to streamline their billing procedures for providers in the future using the magnetic stripe.

Look for news on the redesigned BCN member ID cards anticipated in November 2008.

Great News For TMTA Members Who Purchase Their Insurance Through The TMTA Insurance Agency!

We are pleased to inform you that the renewal for your Group Life, Short Term Disability, Long Term Disability and Group Dental Insurance, effective July 1, 2008, has been approved with no rate increase for any line of coverage.

This marks the 5th consecutive year that the rates for these lines of coverage have been maintained without a rate increase.

If you do not currently purchase your group insurance through the TMTA Insurance Agency, you should contact Dennis Campbell at 248-488-0300 ext. 1313 or e-mail him at dennisc@rcwa.net to take advantage of this valuable feature of your TMTA membership.

Long Term Care Insurance

It's no secret that many employers are facing challenges to provide quality health care programs to their employees at a reasonable cost. It's also a fact that many employees are looking to their employer to provide financial education on health care issues and investments that many of them don't have the time to do on their own. This education in the workplace has been proven to retain and recruit key personnel. Employers who have given their heart and soul to their business are also looking for some type of benefit that is geared to protecting themselves. Today, there are ways for an employer to provide a level of protection that is critical in an aging society, provide a level of education that employees want and receive significant tax advantages for providing it. What is this? Voluntary Group Long Term Care Insurance. Long Term Care is designed to keep consumers out of nursing homes with complete benefits for home-health care and assisted living.

The employers benefit the most from this. They can purchase long term care for themselves, their spouses and any dependents and receive a tax deduction (sometimes 100%) for doing so. The plan often comes with discounted long term care premiums and relaxed underwriting requirements. The benefits received from a long term care insurance plan will not be treated as income in most cases. Employers can also provide this benefit on a discriminatory basis. Yes they can purchase it on themselves and not even offer it to their employees, but if they do...

It can be set up at no cost to the employer. The long term care plan can be offered to the employees with the same premiums and relaxed underwriting requirements as the owner. The employees can be educated on long term care issues from the provider at no cost. The discounted premiums are not only available to the employee but can be extended to spouses, parents, in-laws and adult children.

Long Term Care is not a "one-size-fits-all" type of product. That's why the TMTA has an arrangement with the Ralph C. Wilson Insurance Agency, Inc. Edward J Rich, CLTC Director of Long Term Care and Life Planning, will be able to shop the market from some of the best carriers in the long-term care industry and find the most appropriate carrier for your business. Ed, who has over 18 years experience in the long-term care industry, can be reached at 248-355-1414.

LEGISLATIVE UPDATE

By JUDY AUGENSTEIN,
LEGISLATIVE CONSULTANT, LANSING

The biggest political barrier to Michigan transforming its economy is partisan politics and a lack of cooperation among public officials, according to 200 senior level executives in a recent survey. A Lansing public relations firm conducted a survey on issues relevant to the economic climate in Michigan. Respondents were asked to choose two of five options for reform and government efficiency.



Twenty-nine percent of executives said partisanship and infighting were the top problems. Tied at 22 percent were term limits and more long-term reforms and spending reductions needed to keep the state budget in line. Respondents said term limits don't allow legislators enough time to understand government and are hurting the institution of the Legislature. Thirteen percent said special interests are controlling the legislature. And 12 percent favored the idea of a part-time Legislature to "speed decision-making processes and avoid budget showdowns like last year."

Fallout from the MBT and the associated surcharge continue to be reported in the media and in angry constituent calls to lawmakers. Legislators are learning what some warned about during hearings and the debate last year concerning the tax being skewed to help a few large corporations at the expense of the vast majority of Michigan businesses. Many businesses are reporting their MBT is higher than under the old SBT. When businesses are asked how they will deal with the tax hike, they say they would delay or cancel salary increases, delay or cancel capital investments, move or cancel Michigan expansion plans or they would layoff employees. Hearings are being held around the state by Senate Republicans to gather input from taxpayers on the impact of the MBT and suggestions for its improvement.



Dividends

The policyholders' dividend (10% of net paid premium) was distributed on May 14, 2008. Like a government incentive package, it comes at a time when many of the policyholders could use the cash.

The payment of the dividend was dependent on the completion of the audits for all 'calendar year' policies. It should be noted that only those policyholders that were current on their audit premium payment and current year payment received checks at this time. If you have a question on your dividend status give us a call.

MTMIC Status Report

Medical Fee Schedule Payments

In the first quarter of 2008 the MTMIC processed medical claim payments totaling \$1,889,721. The payments are scrutinized by a third party processor and are reduced by a fee schedule to coincide with prearranged payment amounts (similar to Medicare). After all discounts the medical providers were paid \$731,811, a 61% average savings. (NOTE: If your company is paying medical claims direct, you are likely to be paying these bills at their full amount.)

Policyholders

At the end of the first quarter the total policies in force were 428, up from 416 at the beginning of the year.

Website

The MTMIC has a website that provides details on many of the advantages of participating as a policyholder. Current policyholders can use the website as a reference source

for forms and information on MTMIC operations.

Claims

At March 31, 2008 there were a total of 755 open claims from 2006 through 2008 with 175 indemnity case and 580 medical only claims. There were 215 total claims in the first three months of 2008.

The average loss ratio for the entire MTMIC book of business was 49%. The average loss ratio for the claims of the workers' compensation fund average 57.5%. The claims from the fund are still being managed by the staff of the MTMIC, but MTMIC is not responsible for funding the payments.

Loss Control

The three loss control staff have conducted 201 policyholder visits through the end of March (up from 184 last year). As the MTMIC expands the types of businesses we insure, there have been many more pre-inspections of prospects so we know what type of accounts we are writing from a safety perspective; year to date 25 prospective accounts were reviewed.

Financial

The MTMIC is required to report to the State Office of Financial Regulation and has done so in timely compliance with the regulations affecting insurance companies. The MTMIC also contracts with an independent outside audit source to complete a fiscal year audit of the records and transactions of the company. At the end of March, both of these activities had been undertaken but not completed. (Both activities have now been completed with no significant findings reported).

Investments

The MTMIC is permitted to engage in many more types of investments than the old self insured group. The investments are managed by an outside vendor under the direction of the Board. The conservative mandates of the Board have resulted in positive earnings for the first quarter despite extremely volatile market influences.

The staff requested that the portfolio manager review risks associated with MTMIC holdings and was advised that there is no affiliated risk to the portfolio as a result of sub-prime home lending issues.



Overview

The results of the first quarter 2008 have been encouraging. The loss control staff has honed its focus to respond to and assist the policyholders in new and innovative ways.

The claims department has had very good results even though we have had several very serious and unique injuries. (Note to Self: Don't ride a bike in the plant unless you have a helmet on your head.)

Sales and Marketing has brought in nearly \$5,000,000 in prospects to quote and we are running at better than a 10% close ratio. Most prospects renew on a quarterly basis so there are still plenty of opportunities outstanding for the year.

Policyholder service is at an all time high. Employee morale seems good. The prospects for new business for the rest of the year are numerous. It seems the change to an insurance company may have been a good idea.

MTMIC Annual Meeting:

The MTMIC Board has determined that the Annual meeting of the insurance company will be held on October 16, 2008. In the past the Fund held the meetings during hunting season in November. The Board hopes that this date change is more convenient to the policyholders. Please mark your calendars for the luncheon; we will update this information as to the location as soon as plans are finalized.

Email Update

As we previously announced, the MTMIC is considering developing an e-mail network to contact current policyholders. If we get sufficient response, we will e-mail future correspondence to those that register. We did not get much response to our earlier announcement so we will try it again.

If you would like to join our e-mail network, here is what we need:

Name: _____
Title: _____
Company: _____
Address: _____
City/State/Zip: _____
Email address: _____

More than one Contact? No problem, just fax the requested information for each contact to 248-488-1980 or e-mail to megan.brown@mtmic.com.

We will keep you advised if there is sufficient demand for the project.

ACH:

We have developed the availability for policyholders to pay premium through an Automatic Cash Handling program. At no cost to the policyholders, we automatically withdraw monthly premium payments from their checking account. This program has been available for some time now and many policyholders have signed up for this cost and labor saving method of paying premium.

If you are a policyholder interested in signing up for this program, register with Chris Doebler at extension 1012 (chris.doebler@mtmic.com).

~Work smart, be safe ~

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Apr 2008	210.698	627.606	729.90*
Mar	209.147	622.985	724.53*
Feb	207.254	617.345	717.97*
Jan	206.744	615.828	716.20*
Dec 2007	205.777	612.948	712.85*
Nov	205.891	613.287	713.25*
Oct	204.338	608.662	707.87*
Sept	203.889	607.324	706.31*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Apr 2008	214.823	643.515	748.40*
Mar	213.528	639.636	743.88*
Feb	211.693	634.139	737.49*
Jan	211.080	632.301	735.36*
Dec 2007	210.036	629.174	731.72*
Nov	210.177	629.598	732.21*
Oct	208.936	625.879	727.89*
Sept	208.490	624.543	726.33*

Note: April 2008 CPI-W represents a 4.2% increase from one year ago; CPI-U a 3.9% 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

2008 Third/Fourth Qtr Business Trends Outlook Survey Results

Thanks to the 102 member companies that took the time to respond to the latest Business Trends Outlook Survey. The figures in the brackets are the responses from the survey completed six months ago.

1. Describe your company's operation:

Dies, Molds	8%
Jigs, Fixtures, Gages	7%
Engineering, Technology	0%
Stamping, Forging, Casting	6%
Manufacturing	15%
Machining	22%
Tools	7%
Special Machines	6%
Assemblies	2%
Fabrications	7%
Prototypes	4%
Other	16%

2. How is your business now?

Excellent	02%	(06%)
Very good	16%	(22%)
Good	27%	(27%)
Fair	41%	(36%)
Bad	12%	(09%)
Very bad	02%	(00%)

3. Over the next 6 mos., your co.'s business will:

Increase substantially	02%	(05%)
Increase moderately	32%	(35%)
Remain the same	53%	(49%)
Decrease moderately	13%	(09%)
Decrease substantially	00%	(02%)

4. Current average work week:

Hours per week	44.4	(45.4)
----------------	------	--------

5. Current employment:

Hourly:	29.2	(30.4)
Salaried:	8.02	(07.2)

6. Compare to 1yr ago, current level of business is:

	Up	Same	Down-
Quoting activity	32% (43%)	39% (40%)	29% (17%)
Shipments	33% (37%)	29% (33%)	38% (30%)
Order backlog	21% (33%)	36% (34%)	43% (33%)
Profits	23% (29%)	30% (32%)	47% (39%)
Employment	15% (24%)	59% (53%)	26% (23%)

“Can we...get someone in government to know what to do?”

American Axle strike/GM Shutdowns have had a terrible effect on most of our customers. (tools)

Business is improving but, margins are tight. We are a very state of the art fabricator, having the latest technology and this is winning us business. (fabrications)

Can we outlaw the unions and get someone in government to know what to do? (machining)

Very competitive pricing. (jigs, fixtures, gages)

New business has outpaced work pulled back “inhouse” by some customers. We expanded locations to North Carolina in January and Mexico in May. (stamping, forging, casting)

Can't compete against the garage shops. They don't have the overhead we do. But then that's how we started out. What can I say? (machining)

Companies quoting more vendors, only the hungry get work! (jigs, fixtures, gages)

Our best year since the 90's. (machining & special machines)

Price cuts requested by major companies are ridiculous. They are going to keep asking until we say no. Say no! (jigs, fixtures, gages)

Steady and busy so far all year. (cutting tools)

Steel prices increased 100% from January. Very hard to recover. The automotive industry is in terrible shape, so is the State of Michigan. The State legislature has failed us and I would like to see TMTA do more regarding MBT tax. Small glimmer of hope in pursuing military and non-automotive business. (Prototypes)

We're starting to see a slight downturn with all the increases in steel prices. People just can't keep paying the higher prices without giving up something else! (fabrications)

(Rob's Roost continued from Page 1)

undertaken to determine the actual impact they have/have had on jobs and the U.S. economy. Once that has occurred changes can be proposed and implemented in existing agreements as seen advisable and a better 'template' for new agreements will be available.

To continue as we have in the past will simply result in a repetition of the adverse results that have come from prior agreements and that is both foolhardy and unacceptable.

Legislation has (finally) been proposed that calls for a moratorium on new accords until existing accords are studied and reworked. Proposals made include new rules on investment and food safety as well as stiffer labor and environmental provisions.

American manufacturers shoulder a substantial financial burden in complying with standards in existence in the U.S. while their Asian competitors are virtual without regulation in terms of safety, health and the environment.

Don't expect to see the proposal pass through Congress this year. According to Senator Sherrod Brown (D. Ohio)



chief sponsor of the Bill, it establishes a marker for how trade policy should adjust next year once a new administration and President are in place. The Senator's staff has spoken to the staff of Senator Obama who appar-

ently is supportive of reviewing existing accords. More to come as the situation develops.

You now know that our insurance agency at the TMTA has been advised that **rates will not rise** for life, short/long term disability and dental insurance once again this year. If you do not use the TMTA Agency you might consider doing so as this is clearly a value added proposition of your membership.

Get your booking in for the Golf Outing. Spots are filling up and it promises to be another great day!

Finally, please visit our website and if you have comments or ideas, we will be pleased to hear from you.



TMTA Endorsed Service Providers

Manufacturing Technology Mutual Insurance Company (MTMIC)

(workers' compensation program)

Provider contact:

Gary Wood 248-488-1172 ext. 1316

Reliance Standard/Ameritas

(life/dental insurance programs)

TMTA contacts:

Dennis Campbell 248-488-0300 ext. 1313

Stella Krupansky 248-488-0300 ext. 1310

Blue Cross Blue Shield/BCN

(health insurance program)

TMTA contacts:

Dennis Campbell 248-488-0300 ext. 1313

Elaine Burger-Laskosky 248-488-0300 ext. 1309

Federated Insurance

(property & casualty insurance program)

Provider contact:

Joseph Busby 800-428-4143

Freedom One Financial Group

(401(k) retirement program)

Provider contact:

Lesley Goodwin 248-620-8100

John M. Packer & Associates

(unemployment cost control program)

Provider contact:

Nathan Wiest 800-482-2971

Custom Telecom

(phone/communications programs)

Provider contact:

Kathy Schaumburger 866-332-1200

TMTA receives a benefit from its Endorsed Providers when you, as a member, patronize them. This is one way we are able to maintain the level of dues.

2008 Fourth Of July Holiday Survey Results

Our thanks to the 104 companies that took the time to complete our 4th of July survey. May we all remember the freedoms we enjoy as we celebrate this day.

	Open	½ Open ½ Paid	Closed Paid	Closed Unpaid
Mon 6/30	89	0	6	2
Tues 7/1	94	0	2	2
Wed 7/2	94	0	2	2
Thurs 7/3	89	3	3	2
Fri 7/4	0	0	98	3
Sat 7/5	4	0	3	88
Week 6/30-7/4	1	0	2	4

**HAVE A SAFE AND HAPPY 4TH OF JULY
FROM THE STAFF AT TMTA**

WELCOME NEW TMTA MEMBERS

We would like to take this opportunity to welcome the following new member to the Tooling, Manufacturing & Technologies Association:

❖ Magna-Lock USA

Located in Rockford, IL, they specialize in the manufacturing of high quality workholding equipment for the metalworking and woodworking industries.

Be A TMTA Golf Sponsor

By becoming a TMTA Golf Sponsor, you will have your company's name displayed on a placard at one of the golf holes along with a discount on ticket prices to the event and company recognition in a special upcoming issue of TMTA Talk.

Contact Ron at 248-488-0300 ext. 1306 or e-mail to ron@thetmta.com.

TMTA's 73rd Annual Golf Outing & Dinner

Attend the TMTA's 73rd Annual Golf Outing at the Fox Hills Golf Club on June 26, 2008 and you could have the chance to win a brand new vehicle (model to be announced) or \$1,000,000 in our hole-in-one shoot-out contest.

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 \$180 per person for golfers and \$85 per person for dinner only. Visit our website at www.thetmta.com for reservation forms, a map, and further information.

Fax your forms to TMTA ASAP since tee and table assignments are made on a first-come, first-served basis.

We Look Forward To Seeing You There!



tmta talk

TMTA TALK is a publication of the
Tooling, Manufacturing & Technologies Association

P.O. Box 9151 Phone (248) 488-0300
Farmington Hills, MI 48333 Fax (248) 488-0500
www.thetmta.com

President and CEO — Robert J. Dumont
Copy Editor, Layout / Design — Elaine F. Burger-Laskosky

TMTA TALK is distributed free to all TMTA members.

Copyright © 2007 Tooling, Mfg. & Tech. Association All Rights Reserved

Deadline for submission of news, articles, letters, cartoons and Marketplace items is the 15th of each month.

Send/Fax to TMTA, Attention: TMTA Talk Editor.