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tmta talk

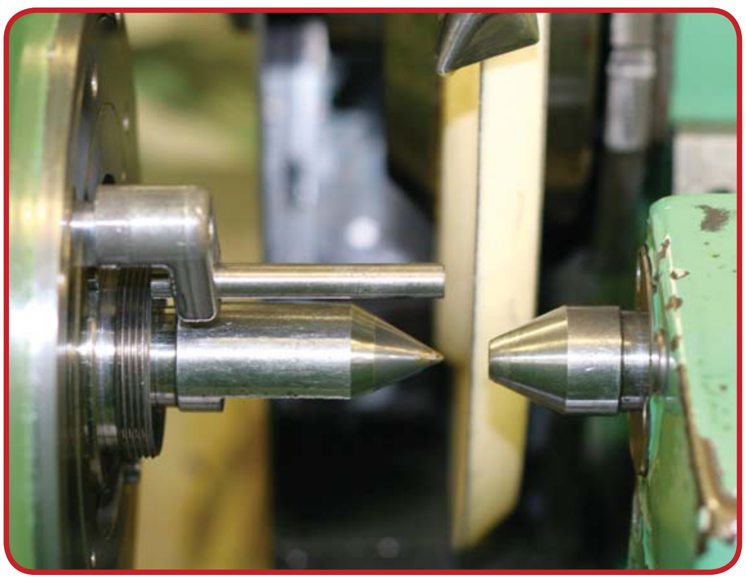
A publication of the Tooling, Manufacturing & Technologies Association

FROM **ROB'S ROOST**
BY ROB DUMONT
PRESIDENT & CEO

Now For November....

Recently, in company with TMTA board member Bruce Cain (**Xcel Mold & Machine**, North Canton, OH) I attended an Issues Forum put on by the Coalition For a Prosperous America in Washington D.C. The featured speaker was Pat Choate the running mate of Ross Perot in Perot's bid for President what seems now to be ages ago. Mr. Choate is a political economist of wide experience and a somewhat prolific author (his most recent effort is *Saving Capitalism*) just released and available at **www.amazon.com**. His presentation reviewed a variety of steps that will advance an effort to achieve the goal suggested in the title of his book. If you would like to see the presentation you need only go to **www.prosperousamerica.org** for a video thereof. I would recommend it to members.

In the afternoon of that day Bruce Cain and I together with Dave Frengel of member company **Penn United Technologies** of Cabot, PA (who was also in attendance at the Issues Forum) as well as others attended a meeting at the Department of Commerce.



In attendance from the Department were Travis J. Sullivan, Director of Policy and Strategic Planning as well as Rick Siger, Chief of Staff to the Deputy Secretary. Discussion focused on the need for a strategy or strategic plan for America relative to trade and manufacturing. Value Added Taxes, Border Adjustable Taxation and Trade Law Enforcement occupied much of the time. We did not discuss Currency Misalignment as that is a matter for the Treasury Department. The need for available credit also received attention as manufacturers are suffering through a time when credit is virtually unavailable.

(Rob's Roost continues on Page 7)

Inside This Issue

tmta Calendar of Events

November 2009

18	TMTA Board of Directors meets at TMTA offices
19	MTMIC Board of Directors meets at TMTA offices
26-27	Thanksgiving Holiday - TMTA & MTMIC Offices Closed

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

TMTA Teams With BCBSM to Host Health Expo

TMTA will host its first Health Expo next month at the VisTaTech Center at Schoolcraft College. This is an important event to attend. Even if you have health coverage through another carrier or agent, you can come to this event.

You'll hear speakers from Blue Cross Blue Shield on a variety of topics including new plans available now as well as new plans for the future, Blues member discounts that you may not know exist, and how teaming up with TMTA can save your company money. You will have an opportunity to ask questions and obtain printed materials.

Lunch will be provided by the Schoolcraft Culinary Arts School, the Blues Cruiser will be present in the parking lot, door prizes will be awarded, and there will be booths with information and hands-on displays all free-of-charge. It will be well worth your while to attend.

Watch your mail for reservation forms or visit our website at **www.thetmta.com** for future information.

BCBSM Dependent Coverage for 19-25 Year Olds

Effective January 1, 2010, a family continuation rider will automatically be added to a family contract for a dependent that turned 19 in 2009, unless the subscriber has already requested the dependent be terminated.

If your employee has a dependent that turned age 19 during the 2009 year, the dependent will no longer be automatically deleted, but will be automatically added onto the coverage as a family continuation rider at an increased rate amount unless you send in a dependent cancellation notice. You need to check your January and February BCBS billing carefully to insure that each employee's rate amount is correct. Remember, you only have 30 days from the date of the change to report it and that includes family continuation rider deletions.

As always, dependents that are not eligible to remain on the employee's contract (those that turned age 25 during 2009 and those not being carried beyond age 19 as a family continuation rider) are eligible to sign up for individual coverage through BCBSM. If your company is required to offer COBRA coverage, dependents that are being removed must be given this option. Individual Blue coverage applications are available by contacting our office.

The policy remains the same that a dependent turning 19 who is totally and permanently disabled by reason of physical or mental defect and is unmarried may remain on the contract without the addition of a family continuation rider as long as the total disability began before the dependent's 19th birthday and documentation of the disability is submitted within 31 days of the dependent's turning age 19.

If you have any questions about coverage for dependents or how COBRA applies to your group, please contact Elaine at TMTA at 248-488-0300 ext. 1309.

Weight is Important For Healthy Blue Living

Healthy Blue Living, BCN's plan that rewards members for healthy behavior, is making weight an important measure of healthy living. New guidelines became effective October 1, 2009 for some members of Healthy Blue Living groups.

Members with a body mass index of 30 and above must do the following:

Complete 2 online weight management questionnaires. The questionnaires are available after members complete their health assessments and must be completed 120 days from the start of the plan year.

Visit their primary care physician every 6 months until their BMI falls below 30, even if their doctor notes a longer time frame on the Qualification Form.

Complete 2 additional weight management questionnaires every 6 months until their BMI falls below 30.

According to the Centers for Disease Control and Prevention, an estimated 300,000 deaths per year may be attributable to obesity, and the risk of death rises with increasing weight.

Quit the Nic, the Blues' Smoking Cessation Program

Thursday, November 19, 2009, is the Great American Smokeout. This event, sponsored by the American Cancer Society, is an opportunity for smokers to kick the habit for one day and encourage them to never go back.

Smoking remains the leading cause of preventable death in the U.S., with 30% of all cancer deaths caused by tobacco use. Moreover, secondhand smoke, with over 4,000 chemicals and more than 60 carcinogens present, is a major health hazard, proven to cause lung cancer, heart disease and emphysema.

Some people independently resolve to quit smoking; others need a little help. The Blues 'Quit the Nic' program is ready to help them all. The program offers one-on-one telephone-based counseling with a registered nurse, an action plan tailored for you, and educational materials to help you along the way.

During your first Quit the Nic call, a nurse health coach will discuss your readiness to quit, help you to develop an action plan, and set a quit date. In subsequent calls, the nurse will guide you though a series of topics to help you through the quitting process. Each phone session is designed to help you overcome the urge to use tobacco.

For more information or to enroll 24 hours a day, seven days a week, call the Blues Quit the Nic smoking cessation program at 800-811-1764 (or call BlueHealthConnection at 800-775-2583).

Legislative Update

By Judy Augenstein, Legislative Consultant, Lansing

Michigan voters will get a chance to make sure the state budget is approved in time for the start of the state's fiscal year under legislation introduced by Rep. Arlan Meekhof, R-West Olive. The proposed constitutional amendment would require lawmakers to approve the state budget by July 1, well before the state's October 1 fiscal year begins. The K-12 education budget, which includes state aid funding, would be completed by May 15, in advance of school districts' July 1 fiscal year start. "The feedback residents are giving me is not so much about specific budget cuts and reforms but about why it goes down to the last minute and beyond to get done," said Meekhof.

In 2007, state government shut down for four hours on October 1 because the governor and legislature did not reach an agreement on a spending plan before the midnight deadline. This year the stalemate in Lansing led to the October 1 passage of a 30 day continuation budget to allow further negotiation on spending reforms or tax increases.

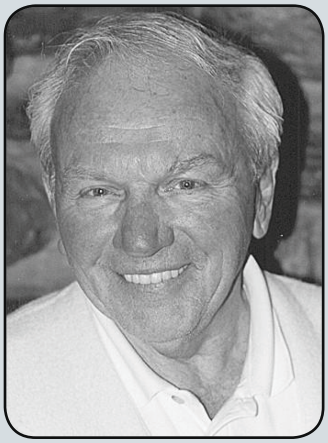
A bipartisan group of legislators have introduced a constitutional amendment that will require the state's budget to be balanced by July 1 on any given year. Under their plan, legislators will lose pay for every day the budget remains unbalanced after the deadline.

"Taxpayers should not have to pay legislators who do not get the job done", said Rep. Mike Huckleberry, D-Greenville. "We all took an oath of office to serve the people of Michigan and to always put their interests first. If legislators cannot balance the budget in time to avoid a government shutdown, then they should not get paid."

"In the real world if you do not do your work, you do not get paid," said Rep. Dan Scripps, D-Leland. "Legislators should not be any different. This plan will help bring fresh air to Lansing and make sure elected officials are truly working on behalf of Michigan's residents."

I have lobbied for over 30 years and I am still in disbelief as to the negative impact term limits has had on the legislative process. Winning elections and politics are more important than serving people and making sound public policy. Many legislators are more intent on "fixing blame" and "media spin" rather than tending to policy issues. It is important to seek out a few legislators who believe they are elected to serve the public and not posturing for higher office when developing a legislative plan of action in order to meet with legislative success. I do not think it was the intent of the framers of term limits that a citizens government would be posturing for higher office, rotating from one elected office to another and not tending to the business of the people of Michigan.

In Memoriam



It is with deep sadness and regret that we note the passing of **Gustave “Gust” Headbloom Jr.**, owner of **Apex Broach and Machine**, on November 2, 2009 at the age of 83. Husband of Anna and the late Dorothy; father of Alan (Kim), Jill (Ulco) Visser, Scott, and Kim; step-father of Robert (Sheila) Diedrich, David Diedrich, and Chris (MaryAnn) Diedrich; grandfather of six and great-grandfather of one.

Mr. Headbloom was born in Detroit and was a veteran of World War II, serving in the U.S. Army in the Philippine Islands. He was owner of Apex Broach and Machine in Detroit until the company closed and he retired in 2003. He was a member of the Society of Manufacturing Engineers, the Cutting Tool Manufacturers of America and the Swedish Engineers Society. He served as Vice Chairman of the Employers Association of Detroit and as Vice Chairman of the Small Business Forum on the board of directors of the National Association of Manufacturers. He received a Presidential appointment to the White House Conference on Small Business in 1986.

Mr. Headbloom will be missed by all who knew him. Donations may be made in Mr. Headbloom’s name to the Leader Dogs for the Blind. Their website offers several giving options available at **www.leaderdog.org/donate** or mail checks to Leader Dogs for the Blind, 1039 S Rochester Rd., Rochester Hills, MI 48307-3115.

Our sincere condolences to his family and friends.

In Memoriam

It is with deep sadness and regret that we note the passing of **Walter W. Wawrzyniak**, owner of **Tuff Machine Company** of Warren MI, on October 31, 2009 at the age of 81. Husband of the late Eleanor; father of Michael (the late Madeline), Thomas (Kathryn), Cynthia, and William; proud grandfather of six.

Mr. Wawrzyniak will be missed by his many friends and all those who worked with him. Donations may be made in Mr. Wawrzyniak’s name to the Hospices of Henry Ford, P.O. Box 02220, Detroit, MI 48202-0220.

Our sincere condolences to his family and friends.

Drivers and Intexticated Driving On-The-Job

The electronic devices we increasingly rely on to get us through our days are impacting job safety.

We’ve all been behind the idiot with the cell phone swerving, changing speeds, and slamming on the brakes for no reason, but experts say texting while driving puts distracted driving on a whole new level. The level of distraction is so high that the term “intexticated driving” was coined to refer to drivers who text while on the road.

Legislation has recently been introduced aimed at banning texting while operating a motor vehicle. The proposed “Avoiding Life-Endangering and Reckless Texting by Drivers Act of 2009” will penalize states in violation of the law with the risk of losing 25% of their annual federal highway funding.

President Obama recently banned all government employees from texting while driving whenever they are on the job, driving a federal vehicle or using a government-supplied cell phone.

In the first study of its kind, the Virginia Tech Transportation Institute used sophisticated cameras and instrumentation in participants’ personal vehicles to provide a clear picture of driver distraction and cell phone use under real-world driving conditions. Combined, these studies continuously observed drivers for more than 6 million miles of driving.

The study found that texting while driving a commercial truck makes you 23 times more likely to become involved in an accident; dialing a cell phone, 5.9 times more likely; talking/listening to a cell phone, 1 time more likely; and using/reaching for electronic devices, 6.7 times more likely.

According to the study, a truck driver who is texting while driving is looking down at his cell phone for 4.6-seconds over a 6-second interval; which equates to the driver traveling the length of a football field at 55 miles per hour without looking at the roadway.

While it’s hard to put a number on how many accidents are “work-related” (distracted truck drivers, delivery drivers or salespeople…), it is safe to say that employers need to be aware of potential ramifications.

Some businesses have noted the number of injuries and rising costs associated with workplace distractions by adopting policies on banning cell phones. Some employers believe that their salesperson on the road or their delivery person can’t do his job fast enough unless he is multi-tasking. All you have to do is look back a few years to an employer that had to settle a case for $16 million because one of its salespeople killed an elderly person when driving while talking on a cell phone to realize the potential liability connected with distracted driving and the need for an employer electronic device policies.

Employers and employees need to work together to ensure that an electronic device policy is enforced in a way that shows each understand the importance of keeping the public and co-workers safe by being able to respond instantaneously to a workplace issue, whether it is a pedestrian crossing a street or a truck backing up to a loading dock.

Companies need not only the foresight to have an up-to-date policy on the do’s and don’ts of electronic devices in the workplace, but recent cases have shown that employers must also show that they have enforced the policy and properly educated their employees. Most assuredly, the insurance companies and their underwriters are standing downwind and it is only a matter of time before they start sniffing around to see if employers have language in place prohibiting the use of cell phones and texting while driving.

For more information and to make sure you are covered as an employer, contact your current workers’ compensation carrier.

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82–84	1967	57–59
Sept	**211.322**	**629.462**	**732.06***
Aug	211.156	628.970	731.49*
July	210.526	627.093	729.30*
June	210.972	628.422	730.85*
May	208.774	621.875	723.23*
Apr	207.925	619.344	720.29*
Mar	207.218	617.239	717.84*
Feb	206.708	615.719	716.08*

CPI-U All Urban Consumers

Month	82–84	1967	57–59
Sept	**215.969**	**646.948**	**752.39***
Aug	215.834	646.544	751.92*
July	215.351	645.096	750.24*
June	215.693	646.121	751.43*
May	213.856	640.616	745.03*
Apr	213.240	638.771	742.88*
Mar	212.709	637.182	741.03*
Feb	212.193	635.637	739.23*

Note: September 2009 CPI-W represents a -1.7% increase from one year ago; CPI-U a -1.3% 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

2010 Annual Retirement Plan Limits Announced

Each year the IRS releases the cost-of living dollar limits as they relate to qualified retirement plans. The limitations will remain unchanged for 2010 for the same reason that Social Security remains the same (see next article for explanation).

Employee Pre-Tax Contribution Limit:
The maximum amount your employees can defer pre-tax in 401(k), 403(b) and 457 employee contributions (402(g) limit):

2009 - $16,500 2010 - $16,500

The maximum employee contribution to a Simple Plan (408(p)(2)(E) limit):

2009 - $11,500 2010 - $11,500

Catch-Up Contribution Limits:
The maximum additional contribution that employees age 50 and over may contribute after reaching the 401(k) annual contribution limit (414(v)(2)(B)(i) limit):

2009 - $5,500 2010 - $5,500

The maximum additional contribution that employees age 50 and over may contribute after reaching the Simple Plan limit (401(k)(11) or 408(p) limit):

2009 - $2,500 2010 - $2,500

Annual Compensation Limit:
The maximum compensation that can be counted for all compliance testing and contribution allocation purposes(401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) limit):

2009 - $245,000 2010 - $245,000

Defined Contribution 415 Limit:
The maximum dollar amount that an employee can have contributed to all qualified plans in both employee or employer contributions and forfeiture allocations(415(c)(1)(A) limit):

2009 – $49,000 2010 - $49,000

Highly Compensated Employee Limit:
The threshold limit for defining who is a Highly Compensated employee as defined by IRS regulations (414(q)(1)(B) limit):

2009 - $110,000 2010 - $110,000

Freedom One is the TMTA endorsed service provider for member 401(k) retirement plans. Contact Lesley Goodwin at (248) 620-8100 for more information.

Social Security Benefits Remain Same For 2010

For the first time since 1975, when Social Security (SS) benefits became indexed to increases in the Consumer Price Index (CPI), there will be no cost-of-living increase in SS benefits for the coming year. The lack of increase is the result of a 2.1% decline in the CPI over the past year.

There will be no increase in the Part B Medicare premium for most beneficiaries this year due to a hold harmless provision in the Social Security Act (Act) that blocks premium increases when benefits do not rise. The amount of earnings subject to taxation under FICA and SECA, the wage base, also will remain at the current level of $106,800 for 2010. Under the Act, the wage base can be increased only if there has been a benefit increase due to a cost-of-living adjustment. The $106,800 earnings base for 2010 applies only to the 6.2% OASDI portion of the Social Security tax. There is no limit on the amount of earnings subject to the 1.45% Medicare portion of the tax.

The Act provides for a cost-of-living adjustment or COLA based on changes in the CPI for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year to the third quarter of the next year, but only if the adjustment is a positive one. The decline in the index from the third quarter of 2008 to the third quarter of 2009 means that benefits will not rise in 2010. In order for an increase to occur, the index must first make up for any decline in the CPI-W this past year and then rise above its level as of the third quarter of 2008. This scenario is not expected to happen until some time in 2011.

The 2.1% decline in the CPI-W from the third quarter of 2008 to the third quarter of 2009 follows last year's 5.8% increase, the largest since 1981. The decline was due, in general, to a decline in energy costs, and, in particular, to a drop in the price of gasoline, which decreased in price by 29.9% over the past 12 months. Steve Reed, an economist with the Bureau of Labor Statistics, the agency charged with determining the CPI, said that if gasoline were removed form the CPI determination, the CPI would have increased by approximately 0.6%. Other significant declines were in the prices of natural gas and fuel oil. Reductions in the price of food, used cars and trucks, lodging and airfares also contributed to the decline in the cost-of-living.

Full retirement age for Social Security for 2010 is 66 years; only individuals born from 1/2/44 through 1/1/45 are eligible for full retirement in 2010.

(Rob's Roost continued from Page 1)

As is to be expected, we were graciously received but, more importantly we inspired a discussion that elicited obvious interest from the members of the Commerce Department and, I believe, there will be follow-up as a result. Admittedly, that remains to be seen, but we will monitor that and will initiate the follow up in due course. It bears repetition: this is a process not an occurrence!

A number of members of Congress from both the House and Senate are invited to participate in an effort entitled "BUILDING THE NEW ECONOMY" that will take place before the end of October in D.C. I will be in attendance and participate. The effort is organized by the Institute for America's Future (**www.ourfuture.org**) and the Alliance for American Manufacturing. In addition to the politicians, it is anticipated that Academics and Journalists will be in attendance as well. I will let you know how it all shaped up after I return.

As our members struggle through these unprecedented difficult economic times we, here at the TMTA continue to seek new members. What we do in terms of advocacy is on behalf of all manufacturers throughout the nation be they members of the association or not. That being the case, if you have friends, relatives, colleagues or acquaintances in manufacturing or in the technologies sector who are not members of the TMTA, (I am confident that you do) please encourage them to join. Rightfully they should bear some of the expense involved in doing what we do on behalf of them as well as our membership, and, we do deliver value in addition to advocacy. Such new members would create fairer treatment to all members who support our efforts on behalf of all manufacturing and technology enterprises.

IRS Issues Guidance on 2009 Required Minimum Distribution Waiver

The IRS Notice 2009-82 provides guidance for retirement plan administrators, plan participants and retirees regarding required minimum distributions (RMDs). The Worker, Retiree, and Employer Recovery Act of 2008 waives RMDs for 2009 for IRAs and defined contribution plans (such as 401(k)s) and allows certain amounts distributed as 2009 RMDs to be rolled over into an IRA or another retirement plan.

The Notice provides relief for people who have already received a 2009 RMD this year. Individuals generally have until the later of November 30, 2009, or 60 days after the date the distribution was received, to roll over the distribution. It also provides guidance for retirement plan sponsors in the form of 2 sample plan amendments to either stop or continue 2009 RMDs. Visit **www.irs.gov**.

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:
John Medo 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

Schena Roofing & Sheet Metal Co., Inc.
(commercial/industrial roofing contractor)
Provider contact:
586-949-4777

GlobalTranz - CarrierRate.com
(freight discount program)
Provider contact:
Chad Hill 866-275-1407 ext. 130

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

Fact of the Week

From the Fair Currency Coalition

faircurrency.org

How a persistently undervalued currency distorts investment flows and sends U.S. jobs offshore

A persistently undervalued currency affects investment as much as it does trade. For example, China's persistently undervalued currency encourages investment in China at the expense of investment in the United States. This has the direct result of sending American jobs offshore.

When a currency is undervalued, investors with dollars, euros, or other currencies, rent land and purchase equipment for less in that country than the same activities would cost in other countries that do not undervalue their currencies. As a hypothetical, let's say it would cost 4 billion RMB to build a steel mill in China. At current exchange rates, this mill would cost an investor around $586 million dollars. If the RMB were allowed to rise to its fair value on the open market, however, that same mill would cost approximately $900 million, an increase of more than $300 million. This savings is purely the result of the Chinese government maintaining the misalignment of currency.

There can be no question that maintenance of persistently undervalued currencies by China and others has contributed to the loss of investment in the United States. According to U.S. Bureau of Economic Analysis, inflation-adjusted Gross Private Domestic Investment (GPDI) in the United States totaled $1.5 trillion in the third quarter of 2009. This figure represents $586 billion decline from the first quarter of 2008. It also is lower than $1.54 trillion U.S. GPDI for the second quarter of 1997, meaning that more than a decade of real U.S. investment growth has been wiped out in less than two years!

In comparison, China reported to the International Monetary Fund (IMF) that its Gross Fixed Capital Formation more than quadrupled; from 2.597 trillion Yuan in 1997 to 10.522 Trillion in 2007. The web publication China Daily reports that fixed asset investment in China rose another 27 percent in 2008—which would bring it to 13.4 trillion Yuan—a five-fold increase. In 2009, investment is reported to be rising another 25 percent. Thus, even with the slight inflation in fixed investment over this period, China's real gross investment has roughly quintupled over the past 12 years while investment in the United States has fallen.

Of course, the ability of the United States to remain competitive internationally depends on American companies using and developing the most modern and efficient equipment. Absent this investment, American companies and their workers become less competitive. In the most extreme cases, rather than upgrading their facilities in the United States, companies simply shut down operations here, and build a new plant in places like China. For reasons like this, more than 5.5 million Americans in manufacturing have lost their jobs.

An undervalued currency does more than "just" cost American jobs. By discouraging investment in the United States, these policies sap our long-term competitiveness. Ultimately, the damage these policies inflict on our manufacturing base and other economic sectors will hurt U.S. growth and even our national security. That's why Congress must pass H.R. 2378 and S. 1027, the Currency Reform for Fair Trade Act, without delay.

TMTA Surveys Enclosed

Two surveys are enclosed with this issue of TMTA Talk. One is the Annual Christmas/New Year's Holiday Schedule and the second is the First/Second Quarter 2010 Business Trends Survey.

Your response is important to us, so please take a few moments to complete the surveys and fax them to TMTA at 248-488-0500 by Friday, November 27th.

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

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