

Informer

Informing, planning and taking action



UNITED STATES CUTTING TOOL INSTITUTE
LEADING THE FUTURE OF THE CUTTING TOOL INDUSTRY

OFFICERS

President

David J. Povich
Tool Alliance

Senior Vice President

Thomas Haag
SGS Tool Co.

Vice President

Steve Stokey
Allied Machine and Engineering

BOARD OF DIRECTORS

Bret Tayne
Everede Tool Co.

Jeff Major
Greenfield Industries

James P. Haag
Hardcoating Technologies, Ltd.

Dave Krieger
Jasco Tools

Dale Wilt
Latrobe Specialty Steel

Randy Nedrow
Micro 100 Tool Corp.

B. V. Bowersock
North American Tool Corp.

John Jacobsen
Sandvik Coromant

Philip Kurtz
Wetmore Tool & Engineering Co.

Immediate Past President
Steve Morency
M.A. Ford Mfg. Co., Inc.

2012 Features First-Time-Ever Meeting Sites

Excellent attendance is expected at this year's Spring USCTI Institute Meeting, scheduled for April 28-30. For the first time in the history of the Institute, the meeting will be held in Key West, Florida. Attendees will have an opportunity to explore the island that was once home to the likes of Ernest Hemingway, Tennessee Williams, and Harry S. Truman. The island offers a tropical blend of azure waters, lush foliage, and fine dining.

An outstanding line-up of speakers has been arranged. Terry Bowden, Head Coach for Akron University and one of the brightest minds in college football, will lead things off on Sunday, April 29, with a message about motivating employees. Former OSU and NFL star, William White, will share his football career experiences and talk about the advantages of partnering with universities. Harry Moser of the Reshoring Initiative will arm attendees with the information needed to help customers decide on reshoring vs. offshoring. Finally, the Teal Group's Richard Aboulafia will provide a detailed update on market trends in the various aviation markets.

An important part of every USCTI meeting is networking. Several unique events will be held during the spring meeting, including an opening reception at the amazing Conch Republic, and a very special evening at the Harry S. Truman "Little White House" on Sunday evening. The farewell reception on Monday evening will take place at a beautiful poolside setting at the Hyatt Key West.

Mark your calendars now for the 2012 Fall Institute Meeting, scheduled for October 27-29. Another truly unique, first-time-ever location has been selected for the fall meeting—Alisal Guest Ranch and Resort in Solvang, California. Nestled in the scenic Santa Ynez Valley in a spectacular setting, Alisal is an extraordinary meeting destination. Alisal is a 10,000-acre working cattle ranch, rich in



tradition and history. The ranch has been hosting groups for over half a century.

Alisal offers a myriad of recreational activities including horseback riding, golf on two championship courses, a fitness center and spa, tennis, fishing and boating on a 100 acre private lake, swimming, biking, and scenic walking trails. For sightseeing, the ranch is just minutes away from over 75 of Santa Barbara County's foremost wineries, as well as thoroughbred horse, ostrich and llama farms, and the historic Santa Inez and La Purisima Missions. There is also lots of shopping in the quaint Danish community of Solvang or in Los Olivos with its splendid art galleries and charming antique shops.

The Programs Committee will be assembling the meeting details shortly, so look for more information about the fall meeting in the next few months. You won't want to miss this one!

Schedule of Events Hyatt Key West Resort and Spa Key West, Florida

SATURDAY, APRIL 28, 2012

7:30 AM – 9:00 AM Programs Committee Meeting & Breakfast
Harbor Boardroom

9:15 AM – 11:15 AM Board of Director's Meeting & Breakfast
Harbor Boardroom

6:00 PM – 8:00 PM Welcome Reception at the Conch Republic

SUNDAY, APRIL 29, 2012

7:30 AM – 8:30 AM Institute Breakfast
Hyatt Key West Dock

8:30 AM – 12:00 PM Institute Meeting
Marquesa

8:30 AM – 9:45 AM **Terry Bowden – Motivating the Benchwarmers**

9:45 AM – 10:00 AM - Break -

10:00 AM – 11:00 AM **William White – Getting Value from Your Relationship with a University**

11:00 AM – 12:00 PM **Harry Moser – To Reshore or Offshore? How to Help your Customer Objectively Decide**

6:00 PM – 10:00 PM Evening Reception and Dinner at the Harry S. Truman House

MONDAY, APRIL 30, 2012

7:30 AM – 8:30 AM Institute Breakfast
Hyatt Key West Dock

8:30 AM – 9:30 AM Institute Meeting
Marquesa

9:30 AM – 9:45 AM - Break -

9:45 AM – 12:00 PM **Richard Aboulafia – Outperforming The Economy: Aviation Markets Outlook**

6:00 PM – 8:00 PM Farewell Reception at Hyatt Key West Resort and Spa

In This Issue

- 2013 World Cutting Tool Conference
- USCTI Secure Virtual Office
- Business Outlook Survey
- Avoid False Patent Marking Claims
- Future Meeting Dates
- USCTI Technical Resource Center
- Japan Relief Effort
- Welcome New Members
- 2012 Meeting Sponsors

USCTI President's Message



Dave Povich

You know things are going pretty good for us when the politicians in Washington, D.C., and elsewhere begin to trip over themselves while declaring they're the "Manufacturing President" on down to the "Manufacturing Drainage Commissioner." None of them were accepting blame when things were bleak in 2009, yet they're quick to jump on the bandwagon when the tide turns. In the meantime, they've attempted to restrict and raise the prices of our energy and healthcare, given trial lawyers more balloons to float, and heavily subsidized a liberal arts education system that is churning out debt-laden graduates that are relatively worthless to our industry.

Perhaps we should be pleased with the accelerated depreciation allowances provided under the ongoing stimulus programs, but come to think about it, buying a piece of equipment is a hard-dollar expense; why shouldn't we always be allowed to immediately expense the cost?

Now they're toying with Social Security tables. Let's call the bluff. There is no trust fund. Any benefits to be provided are in reality a general obligation to be paid from the Treasury. So to promote employment, kill the FICA tax altogether. Replace it with a "Fair Tax" revenue equivalent and watch the positive surprises happen in both jobs and tax receipts.

Unfortunately, let's not hold our breath. No, probably the best thing we can hope for from our government (other than leaving us totally alone) is to pick up some really sweet (un)used equipment from the green-energy company bankruptcy auctions.

Happy bidding!

Dave

“Made in USA” Labeling Requirements

By: Julie M. Woolley, Baker & Hostetler LLP

The Federal Trade Commission (FTC) regulates the use of “Made in USA” marks throughout the United States. The FTC’s guidelines require that “all or virtually all” of a product’s components must be made domestically to allow a “Made in the USA” label. The rules are complicated enough that a nearly 40-page booklet was prepared by FTC staff to provide guidance about how to comply with the “all or virtually all” standard. The booklet relies heavily on examples to explain the rules.

The FTC rules apply to all products advertised or sold in the US, except for products specifically subject to country-of-origin labeling by other laws (for example, clothing, wool, textiles, fur products, and automobiles). Additionally, a product must be manufactured in the USA using more than 50% USA parts to be considered “Made in the USA” for government procurement purposes.

Manufacturers selling products in California, however, need to be aware that California is the only state in the United States that uses a different standard from the FTC.

According to the FTC, “all or virtually all” means that all significant parts and processing that go into a product must be of US origin. Essentially, the product should contain no – or negligible – foreign content. Manufacturers must keep records and evidence to back up its claims. Manufacturers are permitted to rely in good faith upon information given by suppliers about the domestic content of parts and components, but the FTC recommends asking for specific information about the percentage of US content before making a “Made in the USA” claim.



Manufacturers selling products in California, however, need to be aware that California is the only state in the United States that uses a different standard from the FTC in enforcing state-level deceptive marketing laws. In California, Section 17533.7 of the Business and Professions Code provides that:

It is unlawful for any person, firm, corporation or association to sell or offer for sale in [California] any merchandise on which merchandise or on its container appears the words “Made in USA” ... or similar words when the merchandise or any article, unit or part thereof, has been entirely or substantially made, manufactured, or produced outside the United States. [emphasis added]

The California law applies to any company and any merchandise sold or offered for sale in California and has been interpreted to mean that every single component in a product sold in California must be made in the USA in order to have “Made in USA” stamped on it. For example, a California court held that Leatherman’s “Made in USA” claims for its multi-component tool were false and misleading, since three or more components were manufactured outside the United States. The statute does not require that products manufactured in California but sold elsewhere be labeled to comply with California standards, but if a product intended for sale elsewhere ends up being sold in California (for example, a closeout purchase of merchandise that was not sold elsewhere), it is possible that the manufacturer could be liable for the improper marking.

Despite California’s tort reform, Proposition 64, a California Supreme Court case from January 2011

may have opened the door for plaintiffs’ lawyers to bring suit based on noncompliance. The court essentially emphasized that “labels matter” to consumers. In that case, the judges ruled that the only “injury” that a plaintiff would need to suffer to sue a manufacturer would be that he or she didn’t get the product bargained for (in that case, a Kwikset lockset made entirely in the USA). Prior to that case, plaintiffs had to actually show that the product purchased was overpriced or defective and as a result the plaintiff had suffered some type of monetary damages.

There are efforts underway to change California law to match the FTC’s “Made in USA” standard that applies in the other 49 states. The law unanimously passed the California assembly in April 2011, but it has stalled in Senate judiciary committees since then. A similar law was introduced a few years ago and failed to pass. Commentators are split as to whether the latest attempt to bring California in line with the FTC’s rules will be successful.

Actions can be brought by the California attorney general or prosecutors, as well as by individual plaintiffs. If the government makes a claim, any recovery goes into the state’s funds. It appears that damages can be significant, and the legal fees alone may cause some manufacturers to create labels that will comply with California law by indicating “90% made in the USA” or “manufactured in the USA using some imported parts.”

Julie M. Woolley is a business attorney at Baker Hostetler in Columbus, Ohio. She represents clients with corporate transactions and also provides advice related to general business issues.

USCTI Office Contacts

Email: uscti@uscti.com
Phone: 216-241-7333
Fax: 216-241-0105

Chuck Stockinger
cstockinger@thomasamc.com
Ext. 3021

John Thimmig
jthimmig@thomasamc.com
Ext. 3051

Jennifer Boyle
jboyle@thomasamc.com
Ext. 3028

Statistics

Ljerka Ilic
lilic@thomasamc.com
Ext. 3029
Statistical Fax: 216-241-4104

Director of Meetings

Anya Hodgson
ahodgson@thomasamc.com

Future Meeting Dates

Mark your calendars now for these upcoming events!

2012 Fall Meeting

October 27-29
Alisal Guest Ranch & Resort
Solvang, California

World Conference for
Cutting Tools
May 13-16, 2013
Kyoto, Japan

These two locations offer truly unique meeting experiences as well as the opportunity to network with your industry colleagues. Plan now to attend!



UNITED STATES CUTTING TOOL INSTITUTE
LEADING THE FUTURE OF THE CUTTING TOOL INDUSTRY

Cutting Tool Informer
1300 Sumner Ave.
Cleveland, Ohio 44115
phone: 216.241.7333
fax: 216.241.0105
email: uscti@uscti.com
www.uscti.com

Sponsorship Program Still a Huge Success

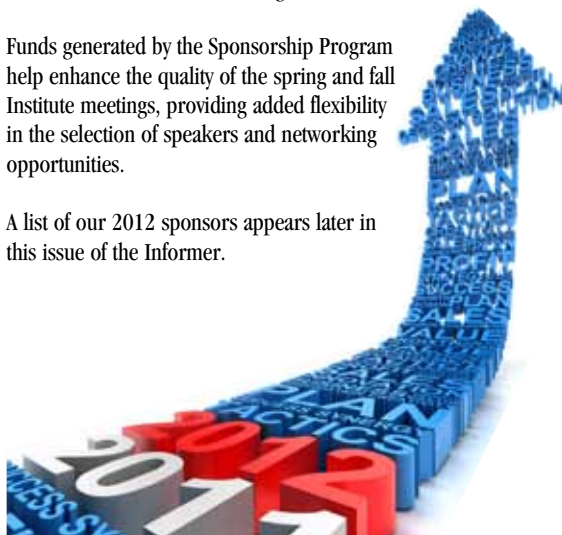
Once again this year, USCTI is offering to industry partners and suppliers the opportunity to enroll as Institute sponsors. Sponsors gain wide visibility within the cutting tool industry throughout the year.

Sponsorship levels include Gold, Silver, Platinum, and Member Utilized. Gold and Silver sponsors have meeting attendance privileges, and the Gold level provides an opportunity for a presentation at the fall USCTI meeting.

Other program benefits include a display booth at the fall Institute meeting (Gold and Silver levels), a full page ad in the spring and fall meeting programs, a banner ad with link on the USCTI website, a banner ad with link in the USCTI biannual e-newsletter, the USCTI member contact list, and use of the USCTI "Member Utilized" logo.

Funds generated by the Sponsorship Program help enhance the quality of the spring and fall Institute meetings, providing added flexibility in the selection of speakers and networking opportunities.

A list of our 2012 sponsors appears later in this issue of the Informer.



USCTI to Host Members Pavilion at IMTS 2012

We are extremely pleased to announce an exclusive benefit to USCTI members. USCTI has, once again, since its inception at IMTS in 2010, arranged for a Members Pavilion during this year's show. The Members Pavilion provides a respite from the daily grind of the show—a place to relax during those long, grueling days on the show floor. The Pavilion will be located in IMTS Booth #W-2291 in the West Building.

The Pavilion will provide another networking opportunity for USCTI members, which has been a major goal of the Institute's long-range plan and a key benefit of membership.

Take a few minutes to stop by and have a cold beverage, bring your lunch or a snack to eat, or just sit down and take a breather. The Members Pavilion will be open during regular show hours, and seating will be available on a first-come, first-served basis.

Additional details regarding the Pavilion will be announced this summer.

Japan to Host 2013 World Conference for Cutting Tools

Planning for the next World Conference for Cutting Tools is well underway. The two Japanese cutting tool associations, JSCTA and JCCTMA, will host the conference May 13-16, 2013, in Kyoto, Japan. The Westin Miyako will be the host hotel.

The conference will begin on the afternoon of Monday, May 13, with each organization—ECTA, JCTA, and USCTI—conducting Board and Institute/Association meetings. The official kick-off will be that evening with a welcome reception.

During the next three days, presentations on timely industry topics are planned, as well as a tour of the Mori Seiki Plant in Nara. The morning of Wednesday, May 15, has been set aside for enjoyment of the famous Japanese Aoi Festival, which started in 567 AD. The conference will conclude with a closing ceremony and farewell lunch on Thursday, May 16.

Further details regarding this exciting event are expected shortly, and will be conveyed to all USCTI members when they are available. In the meantime, save these dates for what is sure to be a once in a lifetime experience.



Special Thanks to Our 2012 Meeting Sponsors



3M Abrasive Systems

Troy Heuermann
Business Manager - Superabrasives
Phone: 651-736-5459
tweuermann1@mmm.com
<http://www.3m.com>



Bohler Uddeholm

Art Smoljan
Vice President - Specialties Sales
Phone: 630-754-4114
art.smoljan@bucorp.com
<http://www.bucorp.com>



Ceratzit USA

Andreas Olthoff
President
Phone: 724-694-8100
andreas.olthoff@ceratzit.com
<http://www.ceratzit.com>



Cutting Tool Engineering Magazine

Don Nelson
Publisher
Phone: 847-714-0173
dnelson@jwr.com
<http://www.cuttingtoolengineering.com>



Griggs Steel Company

Mark Mullen
President
Phone: 800-521-1410
griggssteel@griggssteel.com
<http://www.highspeedsteel.com>



Mitsubishi Materials USA Corp.

Chris Rivas
National Accounts Manager, Hard Materials
Phone: 714-352-6151
crivas@mmus.com
<http://blank.mitsubishicarbide.com>



Osterwalder, Inc.

Jack Krajcirk
Area Sales Manager North America
Phone: 513-936-9006
info@osterwalder.us
<http://www.osterwalder.com>



Plasel Plastic Ltd.

Ilan Hacohen
USA Sales Manager
Phone: 972 50 5446182
ilan@plasel.com
<http://www.plasel.com>



Platit Inc.

Bo Torp
President
Phone: 847-680-5270
b.torp@platit.dk
<http://www.platit.com>



Rollomatic Inc.

Eric Schwarzenbach
President
Phone: 847-281-8550; Ext. 275
eschwarzenbach@rollomaticusa.com
<http://www.rollomatic.ch>



Transor Filter USA

Irvin L. Kaage, III
President
Phone: 847-640-0273
ikaage@transorfilter.com
<http://www.transorfilter.com>



Vollmer of America Corp.

Scott A. Ries
PCD Division Manager
Phone: 412-278-0655; Ext. 240
ries@vollmer-us.com
<http://www.vollmer-us.com>