

Informer

Informing, planning and taking action



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Spring 2011 USCTI Meeting/ ECTA Conference Valencia, Spain

Join your industry colleagues in Valencia, Spain, at the 2011 Spring Institute Meeting/ECTA Conference for a program of informative sessions that will maximize the value of your membership and help increase your knowledge and productivity.

The spring program is designed to provide your company with invaluable insight, effective strategies, and relevant initiatives to help meet the challenges of these critical times. You'll also have opportunities for networking and social events. In the sessions, you'll get the latest updates on business conditions, industry trends, forecasted demand, and the outlook for the global economy.

Cutting tool industry meetings provide a unique opportunity for global leadership to come together. The leaders of our industry need to be in Valencia—and the Institute needs your commitment.

Accommodations

We'll enjoy the new Las Arenas Balneario Resort Hotel, situated in the old Las Arenas Spa dating back to the end of the 19th century. The beachfront hotel includes a luxury spa and congress center, with a terrace overlooking the gardens and the Mediterranean Sea. The hotel is within walking distance to Port America's Cup, Valencia's vibrant city center, and the cultural zone.

Topics

- Macroeconomic Presentations
- Technical and Manufacturing Trends
- Future Requirements for Cutting Tool Suppliers
- WEB 2.0 and Cutting Tool Companies
- Human Resources
- Innovation



Schedule of Events Hotel Las Arenas Balneario Resort Valencia, Spain

WEDNESDAY, 4 MAY 2011

8:00 a.m.	USCTI Programs Committee
10:00 a.m.	USCTI Board of Directors Meeting
2:00 p.m.	USCTI Institute Meeting
3:00 p.m.	ECTA and JCTA Presidents & Directors Meeting
6:30 p.m.	Welcome Reception

THURSDAY, 5 MAY 2011

8:00 a.m. – 9:00 a.m.	ECTA Assembly
9:15 a.m.	OPENING CEREMONY
9:30 a.m. – 9:35 a.m.	Welcome from the President
9:35 a.m. – 10:30 a.m.	ECTA, USCTI, JCTA & CECIMO Presentations
10:30 a.m. – 10:45 a.m.	Sponsor Presentation
10:45 a.m. – 11:30 a.m.	Coffee Break
11:30 a.m. – 12:30 p.m.	Multicultural Challenges in Emerging Markets
12:30 p.m. – 1:15 p.m.	Sponsor Presentation
1:15 p.m. – 2:15 p.m.	Lunch

Optional for ECTA, USCTI and JCTA Delegates:

3:00 p.m. – 4:30 p.m.	FORD FACILITIES TOUR
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Social Program

1:30 p.m. – 7:30 p.m.	City Tour, Oceanographic GOLF
8:30 p.m.	Networking Dinner

FRIDAY, 6 MAY 2011

8:30 a.m. – 9:15 a.m.	USA Economic Assessment
9:15 a.m. – 9:30 a.m.	Sponsor Presentation
9:30 a.m. – 10:15 a.m.	Recent Trends and Developments in Metal Cutting Processes
10:15 a.m. – 11:00 a.m.	Coffee Break
11:00 a.m. – 11:45 a.m.	Tendencies and Future Requirements to Cutting Tools
11:45 a.m. – 12:00 p.m.	Sponsor Presentation
12:00 p.m. – 12:45 p.m.	Digital B2B – The Best Tool in Communication
1:00 p.m. – 2:00 p.m.	Lunch

Optional for ECTA, USCTI and JCTA Delegates:

3:00 p.m. – 4:30 p.m.	FORD FACILITIES TOUR
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Social Program

1:30 p.m. – 5:30 p.m.	Paella Cooking, Port America's Cup GOLF
7:30 p.m.	Gala Dinner

SATURDAY, 7 MAY 2011

9:00 a.m. – 9:45 p.m.	Human Capital Management
9:45 a.m. – 10:30 a.m.	Material Trends in Metalworking
10:30 a.m. – 11:45 a.m.	Coffee Break
11:45 a.m. – 12:30 p.m.	University & Companies: Successful Cooperation
12:30 p.m.	CLOSING CEREMONY

Social Program

1:30 p.m. – 7:30 p.m.	Tapas Tour GOLF
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ECTA President's Welcome



Alexandre Fernandez i Grau, President
ECTA



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

Dear USCTI members:

The 2011 ECTA International Cutting Tool Conference is one of this year's leading events of the international cutting tool industries.

The conference program reflects the objectives of the metal-cutting business and provides excellent opportunities for interacting with industry colleagues from many countries.

As suppliers of cutting tools and holding fixtures including a large variety of services, our sector is linked worldwide with all areas of the manufacturing industry. Different experiences and strategies from numerous industries and many countries and regions will be brought together at the conference.

Globalization demands a further expansion of our worldwide presence. In many cases, it is advantageous to form international cooperation agreements. European manufacturers are looking forward to further good cooperation with their American

colleagues. If two top regions of international tool technology move closer together, those involved can face the challenges of globalization with even more confidence.

The 2011 ECTA International Cutting Tool Conference is your conference, and your participation will make it outstanding!

ECTA is looking forward to welcoming you all in Valencia, Spain!

Alexandre Fernandez i Grau
President

P.S. For details about the conference program, the fabulous Las Areas Balneario Hotel Resort, and the El Saler Golf Course please go to www.ecta-tools.org.





USCTI Secure Virtual Office (SVO) OnLine, OnDemand

USCTI's Secure Virtual Office (SVO), with its technologically advanced, secure, 24/7 member services applications, has been launched!

This new online communications portal delivers a new level of service. It is the ultimate step in a communications evolution that started with a bulky and costly all-paper environment, culminating in a super-efficient private cloud network.

The SVO provides:

Real-time updates. Internal staff can securely access and run the Thomas Associates Private Cloud Network from anywhere in the world, 24/7/365. Their updates will be instantly accessible to all members via the SVO.

- **A centralized filing system** for all your Association documents.
- **A permanent resource** of static Association materials including bylaws, antitrust guidelines, publications, etc.
- **An easily accessible listing** of members, committees, and calendar.
- **Expandability.** In the future, additional components will be implemented to further enhance the SVO benefits.

Your time devoted to Association issues will become more productive and efficient, enabling all members who serve the industry as volunteer participants to enhance that experience.

Members were sent an e-mail announcement that provided their unique password, instructions, and user guide. If you have any questions, please do not hesitate to contact the Institute Office.

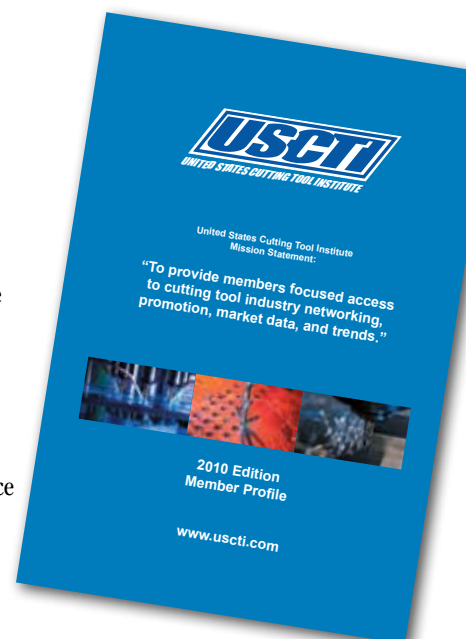
USCTI Hosts Pavilion at IMTS 2010

For the first time ever, USCTI hosted a pavilion during the 2010 IMTS Show in Chicago. Conveniently located in the West building and available exclusively to USCTI members, the pavilion provided a respite from the daily grind of the week-long show. Members were also able to network with each other while enjoying refreshments. Those members who took advantage of this opportunity found it beneficial.

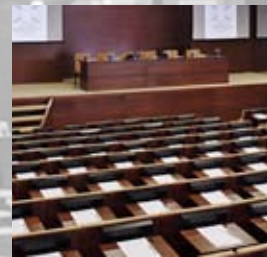
USCTI Feature Insert in *Cutting Tool Engineering's* IMTS Show Issue

A critical goal of the USCTI long-range plan is the promotion of USCTI member companies and the cutting tool industry to the general public. In partnership with Cutting Tool Engineering, USCTI annually has produced a very upscale insert featuring USCTI and its members in CTE's IMTS Show edition to promote the Institute and enhance the visibility and profile of its members.

The insert is posted in the News section of the USCTI Web site.



New Government Initiatives Increase the Stakes of Using Non-Employee Workers



By Todd H. Lebowitz, Baker & Hostetler LLP

The passage of health care reform seems to provide a new incentive for companies to take workers off their books, either by using independent contractors or by bringing in employees of a staffing agency. Fewer employees have always meant lower health care costs, but after health reform, fewer employees also means less exposure to penalties that will be imposed when employees opt out of company-sponsored health coverage.

Classifying workers as non-employees, however, creates a different set of risks for companies. Under federal and state laws, a worker's employment status is determined by how the work is controlled, not by what the worker is called. Companies that misclassify workers as non-employees face a range of potential penalties and liability – under tax law, employee benefits law, and employment law.

The IRS has announced plans to conduct 6,000 worker misclassification audits over the next three years. More than a dozen states have recently enacted or are considering legislation to increase record-keeping burdens and penalties for misclassification. Other federal legislation is pending.

The use of non-employee workers is therefore more appealing – but also more dangerous – than ever. Now is an ideal time for employers to evaluate their non-employee work force and to take steps to minimize the risks associated with this practice.

The Benefits of Using Non-Employee Workers

Starting in 2014, employers who fail to provide adequate, affordable health insurance to employees may face penalties of up to \$3000 per employee. There are no penalties, however, for failing to offer

health insurance to independent contractors or to leased workers employed by a staffing agency. By using non-employee workers, companies also save money by avoiding FICA and FUTA and by avoiding the cost of providing employee benefits. Other advantages of a lower salaried headcount may include reduced SG&A and workers compensation premiums.

But Pitfalls Abound

These advantages, however, may come at a great cost. Companies who misclassify workers as non-employees may face liability under a range of legal theories, including:

- Failure to withhold employment taxes, plus penalties and interest
- Failure to pay FICA and FUTA, plus penalties and interest
- Failure to pay overtime or minimum wage
- Failure to provide employee benefits
- Failure to obtain proof of eligibility to work in the United States
- Increased exposure under anti-discrimination and anti-harassment laws

The stakes are increasing. In addition to the upcoming IRS audits and new state law penalties for misclassification, the federal government is considering new legislation that would impose additional burdens and penalties on companies who misclassify workers as non-employees. In April 2010, Senator Sherrod Brown and Representative Lynn Woolsey introduced the Employee Misclassification Prevention Act, which would require companies to keep track of all workers' hours, including those of non-employees, and would increase penalties for misclassifying common law employees as independent contractors. Additional

federal legislation has been introduced that would repeal the safe harbor provision in the tax code that currently offers relief to companies who have misclassified employees as independent contractors.

The plaintiffs' employment bar is becoming increasingly active in the misclassification arena as well. Companies may face significant exposure from wage and hour collective actions, alleging that companies failed to pay overtime to classes of workers who should have been treated as non-exempt employees rather than independent contractors. Defendant companies may find themselves at a disadvantage when trying to limit damages in these types of lawsuits, since companies are unlikely to have adequate timekeeping records for workers they have treated as non-employees.

Even where companies have properly classified workers as contractors or as employees of a staffing agency, companies still may be held jointly liable under several areas of the law. Depending on the circumstances, federal employment laws may impose joint liability on companies who fail to accommodate a worker's disability, who interfere with a worker's right to take family or medical leave, who fail to maintain a safe workplace, and who fail to ensure that workers are paid overtime or minimum wage. The Americans with Disabilities Act, the Family and Medical Leave Act, and the Fair Labor Standards Act all impose obligations on both the true employer and the company who engages the worker to provide services.

Getting It Right

According to courts and the IRS, workers are properly deemed employees or independent contractors based on who has the right to control the means and manner of performing the work.

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2011 Institute Dues

This is a reminder that USCTI membership dues information was sent to all members of USCTI. The Institute Office would be grateful if you would complete your company's dues calculation form and remit your dues as soon as possible. If you have any questions regarding the calculation of your dues, please feel free to contact the Institute Office.

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Maximize Your USCTI ROI

One of the best ways to take full advantage of the value of your membership in USCTI is to ensure your active participation in the Institute's programs and activities.

Get connected!

- Make sure you plan to attend the semi-annual Institute meetings
- Consider volunteering your involvement in USCTI Committees:
 - Membership Committee
 - Programs Committee
 - Statistics Committee
 - Website Committee
- Are you represented? All members are invited to provide representation to the
 - Human Resources Committee
 - Technical Committee

The effort you invest will enhance the benefits you receive, as well as the significance and usefulness of the Institute's resources.

Your input and ideas are always welcome! Contact USCTI President Steve Morency or the Institute office: uscti@uscti.com or smorency@maford.com

Future Meeting Dates

Mark your calendars now for these upcoming events!

2011 Spring Meeting

May 4-7
Hotel Las Arenas Balneario Resort
Valencia, Spain

2011 Fall Meeting

November 19-21
The Helmsley Park Lane Hotel
New York, NY

New Government Initiatives Increase the Stakes of Using Non-Employee Workers

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The more control a company exerts — or has the right to exert — over how a job is performed, the more likely the worker doing the job will be deemed an employee. Courts and the IRS will consider a range of factors relating to behavioral control, financial control, and the relationship of the parties to make a determination.

Companies can limit their misclassification risks by taking three steps.

First, companies should include protective language in their contracts with staffing agencies and with independent contractors. Contracts with staffing agencies should address each company's responsibilities under a range of employment laws, including those covering discrimination, disability, medical leave, and overtime; tax laws, including the obligations to withhold and to pay FICA and FUTA; and benefits laws. Contracts should also include language clarifying the parties' working relationship, including who has the right to control the means and manner in which the work is performed.

Second, companies should include protective language in their benefit plans to protect against the possibility that workers who have been treated as independent contractors may later be deemed common law employees. Well-drafted exclusionary language can protect against liability for having failed to provide employee benefits to misclassified workers.

Third, companies should establish limits in how their supervisors interact with non-employee workers. Supervisors need to restrict the amount of control they exert over the means and manner in which independent contractors perform their work. Distinctions should be maintained between employees and non-employee personnel, such as separate work badges and separate email accounts. Supervisors should not be making disciplinary decisions or conducting performance reviews on workers who are not company employees.

These steps provide a good starting point, but the risks and recommended action plan for each company will be different, depending on the facts of each particular situation. Companies should seek advice from their employment, tax, and benefits counsel to ensure that they are protected under each of these areas of the law.

Todd H. Lebowitz is an employment law attorney at Baker Hostetler in Cleveland, Ohio, and is part of Baker Hostetler's multi-disciplinary task force on worker misclassification, which includes attorneys in employment law, tax law, and benefits law.

This article originally appeared on www.RiskandInsurance.com.

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