

The Newsletter of the United States Cutting Tool Institute
INFORMING, PLANNING AND TAKING ACTION



2023 FALL INSTITUTE MEETING

Hotel 1000, LXR Hotels & Resorts
Seattle, Washington
October 14-16



Registration is open until September 15, and more information can be found [here](#).

IN THIS ISSUE

PAGE 2 USCTI President's Message
USCTI Staff Contacts

PAGE 3 USCTI Scholarship Program
Statistics Committee Update
Technical Committee Update

PAGE 4 2023 Spring Business Outlook Survey

PAGE 5 USCTI Institute Meetings
Message from the Programs Committee

PAGE 6 Legal Counsel Update

PAGE 8 Special Thanks to Our 2023 USCTI Meeting Sponsors

FUTURE MEETING DATES

Be sure to mark your calendar for the upcoming Institute meetings, which are scheduled as follows:

2024 World Cutting Tool Conference

May 21-24, 2024
Osaka, Japan

2024 Fall Meeting

October 22-24, 2024
Hyatt Regency Sonoma
Wine Country Hotel
Santa Rosa, CA

MEMBERSHIP:

The best way to recruit new members is through referrals from current members. Do you know of a cutting tool manufacturer who is not a member? Please provide the information to the USCTI Office and they can be invited to the spring meeting as our guest.



1300 Sumner Ave.
Cleveland, Ohio 44115
phone: 216-241-7333
fax: 216-241-0105
email: uscti@uscti.com
www.uscti.com

OFFICERS



PRESIDENT
Jeff Major
Greenfield Industries



SENIOR VICE PRESIDENT
Steve Boyer
Alvord-Polk Tool, Inc.



VICE PRESIDENT
Mike Stokey
Allied Machine and Engineering Corp.

BOARD OF DIRECTORS



Jeff Cederstrom
ARCH Cutting Tools



Don Tripler
Craig Tools, Inc.



Brian Norris
Dormer Pramet



Mark Mullen
Griggs Steel Company



Peter Bartos
Swiss-Tek Coatings, Inc.



Jeff Lawton
Star Cutter Company



Mathieu Tapp
Tool Alliance



Brent Williams
US Tool Group



IMMEDIATE PAST PRESIDENT
Bret Tayne
Everede Tool Co.

USCTI President's Message

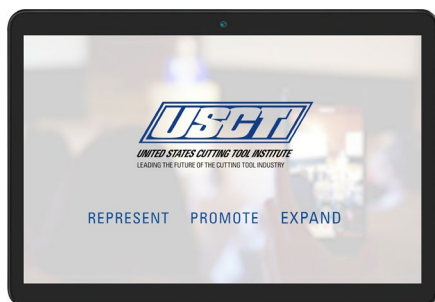
I hope everyone has enjoyed their summer. Our industry is experiencing a surprisingly strong year considering early projections of low single-digit growth. The aerospace and automotive sectors are driving demand and business. There appears to be shared optimism for the balance of the year.

Our fall Institute meeting is in Seattle in October. The USCTI Board of Directors has been working hard to encourage potential new members to attend, as new membership is a priority for the Institute's future. Please contact me, any board member, or Thomas Associates if you are aware of a company interested in joining!

This is my final meeting as USCTI president, and it has been a privilege to lead our Institute. I would like to thank the other board members for all their support over the past two years.

Hope to see you in October!

Jeff Major, USCTI President
Greenfield Industries



This Spring USCTI launched the latest recruitment tool, a video highlighting the benefits of USCTI. We ask all members to post the link on your websites and share via your social media channels.



Jeff Major

“
**PLEASE CONTACT
ME, ANY BOARD
MEMBER, OR THOMAS
ASSOCIATES IF YOU
ARE AWARE OF A
COMPANY INTERESTED
IN JOINING!**

USCTI STAFF CONTACTS

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

Susan Orenga
sorenga@thomasamc.com
Ext. 119

Andrea Sutton
asutton@thomasamc.com
Ext. 121

Megan McConnell - Statistics
mmccconnell@thomasamc.com
Ext. 116

USCTI Congratulates our 2023 Scholarship Recipient: Dana Starr, US Tool Group



Dana Starr

We are pleased to congratulate Dana Starr with US Tool Group as the USCTI 2023 Scholarship Recipient who will be attending Mineral Area College this fall.

The Scholarship program is a member benefit created as another way to help recruit and retain employees. All Institute members are eligible to nominate a current employee or a student for the USCTI Scholarship.

Please be sure to promote the 2024 Scholarship Program to your HR departments, employees, and local high school and vocational schools.

The application for 2024 scholarship recipients will be available this fall.



More information
can be found [here](#).

HR Committee Update

This spring, USCTI formed a new committee, chaired by Kellie Zajac of ATA Tools, to assist members with best practices for recruiting, onboarding, and training employees. The committee is tasked with bringing together HR professionals from member companies to discuss resources and trends and determine what will benefit members the most.

Current trends the committee is discussing:

- Diversity, Equity, and Inclusion (DEI) recruitment
- Recruiting post-Covid: virtual career fairs, partnerships with schools
- New HR laws (i.e. FMLA)
- Social media use for building culture, recruiting employees

If you are facing specific challenges in any of these areas or have any tools that have been successful, please let the USCTI office know. If you have someone from your company who would be interested in being a part of this committee, also let us know!

USCTI Statistics Committee Update

The USCTI Statistics Committee has been diligently working on updates to the current annual reports in which our members participate. To increase participation in the statistics program, which can benefit all members, USCTI is updating the formatting of these reports including how they will be collected.

Additional updates from the committee:

- Annual Regrind Report: Due to low participation, the Board approved not distributing the form in 2023, but will revisit this report at a later date.
- Mid-Year Employee (Employee Benefits and Key Operating Ratio) Survey: We have sought the assistance of the Board to ensure the information asked is of the most value to members and is still relevant.
- Middle Management Report: The HR committee and Board have been reviewing the information to ensure it is still relevant and beneficial.

In addition, USCTI staff is working closely with board member Peter Bartos from Swiss-Tek and USCTI member Ryan Lake from CemeCon to help enhance participation in the Surface Coating Report. This includes updating the current categories and seeking potential members to add to this category to participate in the report.

Remember, if you are not participating in statistics, you are missing out on key data to assist your business including the quarterly forecast and webinar from IHS Markit. If you have feedback on the statistics program, the quarterly forecast, or suggestions for other reporting, please contact the USCTI office.

USCTI Technical Resources

Please visit USCTI's [Technical Resource Center](#) on our website for a variety of downloadable technical information submitted by member companies. As a reminder, if you have technical papers we can brand for USCTI (attributing the member company), please send them to the USCTI office at uscti@uscti.com.

2023 Spring Business Outlook Survey

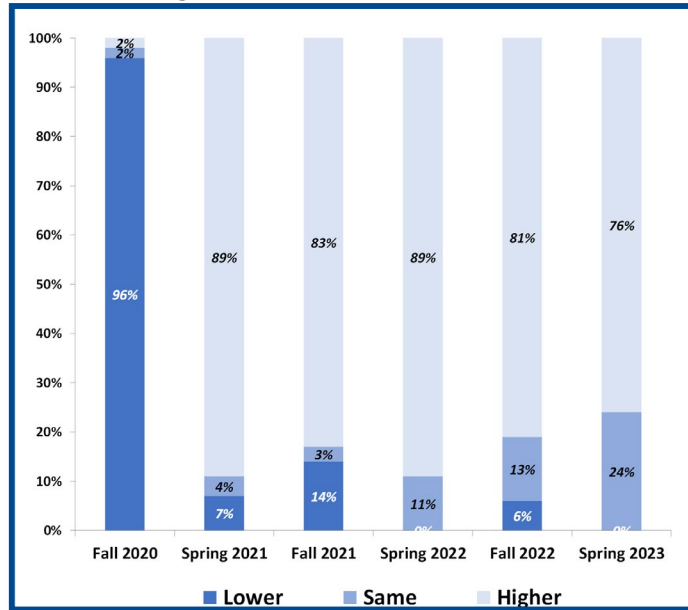
We had 25 member companies respond to the Spring Business Outlook survey (lower response than fall). Highlights from the survey include:

- 76% of respondents forecasted higher sales revenue for the next year compared to 89% in spring 2022.
- 80% of respondents noted higher sales revenue forecast, which dropped slightly from fall 2022 (91%).
- Companies noting higher employment rates for the quarter increased from the fall to 64% (from 47%).

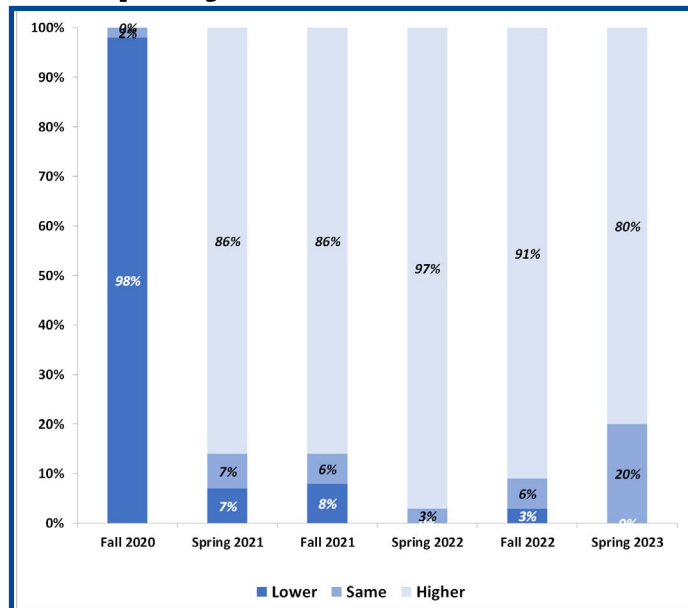
- About the same percentage of respondents noted their company's borrowing costs are remaining high compared to a year ago.
- Comments noted there are still challenges with meeting delivery dates due to higher backlogs, but the industry is starting to recover and stabilize.

Please take the time to fill out the Fall 2023 Business Outlook survey, which will be distributed soon. Results will be shared at the fall Institute meeting in Seattle.

Industry Forecast



Company Forecast



Message from the Programs Committee

As 2023 starts to wind down, USCTI is looking forward to visiting the Hilton Luxury Collection Hotel 1000 in Seattle, Wash., October 14-16. We have many exciting things planned, but the highlight will surely be a trip to the Boeing plant. We have a great lineup of speakers for you, which will include Mike Mullance (a former space shuttle



astronaut), USCTI favorite Richard Aboulafia from AeroDynamic Advisory, and Pablos Holman (world-renowned hacker, inventor, and TED speaker). Add these things to a dinner that will be held at the Museum of Flight, and I hope you agree this will be an exciting and beneficial meeting.

Our spring meeting this year was held at the beautiful Kiawah Island Golf Resort. For those of you who did not attend, you missed an outstanding event and a great venue. We received some valuable insight

from our Federal Reserve speaker, along with our usual roundtable discussions and invaluable networking with our members and sponsors.

On behalf of the Programs Committee, I hope to see you in Seattle this October.

Sincerely,
Mike Stokey



2023 Spring Meeting at Kiawah Island
Dinner at the PGA Ocean Course Clubhouse

Legal Update

FTC PROPOSED RULE TO BAN NONCOMPETE RESTRICTIONS HAS PROPONENTS AND OPPONENTS

The FTC's push to change long-established law concerning noncompete restrictions in employment agreements is meeting with cheers and jeers from workers and Corporate America.

By Joseph P. Boeckman, BakerHostetler

In January 2023, the Federal Trade Commission (FTC) voted 3-1 to propose a new rule under Section 5 of the Federal Trade Commission Act that would largely ban noncompete agreements between employers and employees. If passed, the proposed rule would become a federal regulation making it an "unfair method of competition" for an employer "to enter into or attempt to enter into," "maintain" or "represent to a worker that the worker is subject to a noncompete clause." A preamble to the notice of proposed rulemaking cites the harm that noncompetes purportedly inflict on workers whose compensation and mobility are stymied by noncompetes, and new business enterprises that find it difficult to break into an industry where skilled labor is locked into existing employment arrangements. The FTC has claimed that the rule change "could increase wages by nearly \$300 billion per year and expand career opportunities for about 30 million Americans."

Public feedback has been immediate and varied. Labor unions and consumer advocates spoke out in support. On the other side, business groups, including the U.S. Chamber of Commerce, called on the FTC to withdraw the rule, arguing that the FTC lacked the legal authority to promulgate it.

As a result of the overwhelming amount of public feedback, the FTC extended its public comment period to April 19, 2023, a month after the original deadline. The FTC is now expected to vote on the final version

in April 2024, which is later than many expected. The FTC is likely to spend the next several months considering changes to the rule based on the nearly 27,000 comments it received.

Historically, noncompete agreements have been controversial, but criticism and efforts to eliminate them have increased in recent years. For example, in February 2023, a bipartisan group of U.S. senators again introduced the "Workforce Mobility Act of 2023," which seeks to severely restrict the use of noncompete agreements (similar bills were introduced in 2019 and 2021; there has been no action on the 2023 bill). In his 2023 State of the Union address, President Biden expressed his intent to ban noncompetes. In May 2023, Minnesota became the fourth state to ban noncompete agreements. Several states have recently banned noncompetes in certain instances, such as for employees who are not "highly compensated." And in May 2023, the general counsel for the National Labor Relations Board released a memo asserting that noncompetes violate the National Labor Relations Act in most circumstances.

The proposed rule is broad, and there are questions about whether the FTC has the legal authority to issue such a rule. Business groups have argued that while the FTC can sue companies for "unfair methods of competition," it cannot issue regulations on the matter. FTC Commissioner Christine Wilson, the sole dissenting vote on

continued on page 7

continued from page 6

the proposed rule, issued a statement echoing similar thoughts. According to Commissioner Wilson, the proposed rule would be vulnerable to legal challenges that: (1) the FTC lacks authority to engage in "unfair methods of competition" rulemaking, (2) the FTC lacks congressional authorization under the "major questions doctrine" addressed by the United States Supreme Court, and (3) even if the FTC did have the authority to engage in such rulemaking, it is impermissible under the non-delegation doctrine.

Under the proposed rule, a prohibited noncompete is broadly defined as "a contractual term between an employer and a worker that prevents the worker from seeking or accepting employment ... or operating a business, after the conclusion of the worker's employment with the employer." While other types of employment agreements are excluded, "de facto" noncompetes are also prohibited, such as unduly restrictive "nondisclosures" and employment contracts with onerous training reimbursement provisions. The proposed rule does not, on its face, appear to affect federal enforcement of other types of labor agreements, such as no-poach and nonsolicitation agreements between employers.

Under the rule, the term "worker" is broadly defined to include both paid and unpaid workers, including "independent contractors, externs, interns, volunteers, and apprentices." However, the rule contains an exemption for any "person who is selling a business entity" or "disposing" of a "substantial" "ownership interest in the business entity," which is defined as a 25% ownership interest.

The rule would apply retroactively. It contains a "rescission requirement" that would require "an employer that entered into a noncompete clause with a worker prior to the compliance date" to

"rescind the noncompete clause no later than the compliance date," which would be 180 days after publication in the Federal Register (assuming the proposed rule was passed by the FTC). It would also require employers to individually notify employees and former employees about the rescission of their noncompete agreements.

The proposed rule purports to supersede "inconsistent" state laws. Because many states allow reasonable noncompetes (those with limited geographic scope and time frames), it would be a monumental shift in the way noncompetes are treated. The reasonableness standard under which they are currently assessed in most jurisdictions would be supplanted by FTC review under what amounts to a bright-line rule. It would also represent a significant shift in power from the state legislatures and courts, where noncompete law has gradually evolved over more than a century, to an "independent" federal administrative agency, which raises significant constitutional issues.

THE PROPOSED RULE
 WOULD NOT IMPACT THE FTC'S OR THE
 DEPARTMENT OF JUSTICE'S ABILITY TO BRING
 FEDERAL CASES ALLEGING THAT ANTICOMPETITIVE
 NONCOMPETE AGREEMENTS VIOLATE EXISTING
 FEDERAL ANTITRUST LAWS SUCH AS THE
 SHERMAN ACT, BASED ON EXISTING
 JUDICIAL PRECEDENT.

The proposed rule would not impact the FTC's or the Department of Justice's ability to bring federal cases alleging that anticompetitive noncompete agreements violate existing federal antitrust laws such as the Sherman Act, based on existing judicial precedent.

It is far from clear whether the FTC will ban noncompetes in their entirety or whether it even has the power to do so. And there are strong opponents of implementing such measures. Nevertheless, based on increased criticism of noncompetes at both the federal and state levels, a future in which noncompetes are banned or limited is foreseeable.

This article was written by Joseph P. Boeckman, a partner in the business group of BakerHostetler. BakerHostetler serves as antitrust counsel to the United States Cutting Tool Institute.

Legal Counsel Updates

Members are encouraged to visit [BakerHostetler](#) for access to timely and informative updates from USCTI legal counsel on issues such as health care, employment law, patent law, etc.

Special Thanks To Our 2023 USCTI Meeting Sponsors

GOLD SPONSORS


3M Science.
Applied to Life.™

3M Abrasive Systems
 Scott M. Boyle
*Technical Sales Specialist- Primary
 Metals & Cutting Tools
 Precision Grinding & Finishing*
 Phone: 484-949-1629
 smb Boyle@mmm.com
<http://www.3m.com>



Action Superabrasive
 Joe Haag
President
 Phone: 330-673-7333
 haagjoe@actionsuper.com
<https://www.actionsuper.com/>



Blaser
 Tom Cappadona
*Gears & Grinding Business
 Development Manager*
 Phone: 260-243-2030
 t.cappadona@blaser.com
<https://www.blaser.com>



Ceratizit USA
 Andy Newbery
National Sales Manager
 Phone: 800-783-2280
 andy.newbery@ceratizit.com
<http://www.ceratizit.com>



Haimer
 Brendt Holden
President
 Phone: 630-833-1500
 brendt.holden@haimer-usa.com
<http://www.haimer-usa.com>



Plasel Plastic Ltd.
 Tom Watson
Sales Manager
 Phone: 313-570-5776
 tom@plasel.com



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



Rollomatic Inc.
 Joe Kane
CEO
 Phone: 847-281-8550
 jkane@rollomaticusa.com
<http://www.rollomatic.ch>



Transor Filter USA
 Jonathan Guo
*Executive VP/Director of
 Engineering*
 Phone: 847-640-0273
 jguo@transorfilter.com
<http://www.transorfilter.com>



Vollmer of America Corp.
 Peter Allen
President
 Phone: 412-278-0655; Ext. 222
 p.allen@vollmer-group.com
<http://www.vollmer-us.com>

SILVER SPONSORS



ECM USA, Inc.
 Allison D'Angelo
Senior Marketing
 Phone: 262-605-4810
 allisondangelo@ecm-usa.com
www.ecm-usa.com



EraSteel
 Kevin Kowalik
Sales Manager
 Phone: 330-714-2559
 kevin.kowalik@eramet.com



Wolfram Bergbau und Huetten
 Madeleine Redifer
*Senior Sales Manager -
 North America*
 Phone: 216-443-0542
 madeleine.redifer@wolfram.at
<https://www.wolfram.at/en/>

INDUSTRY TRADE PRESS SPONSORS



Cutting Tool Engineering Magazine
 Dennis Spaeth
Publisher
 Phone: 847-714-0176
 dspaeth@ctemedia.com
<http://www.cuttingtoolengineering.com>

MEMBER UTILIZED SPONSORS



ANCA
 Russell Riddiford
President
 Phone: 248-624-1005; Ext. 4005
 riddiford@anca.com
<http://www.anca.com>



Bohler HSS USA
 voestalpine High
 Performance Metals LLC
 Cres Medley
 Vice President of Sales
 Phone: 513-543-8820
 cres.medley@bohler.com
www.bohler.com



SF Diamond USA
 Angela Du
*Head of International
 Marketing Dept.*
 Phone: +1 346-497-2775
 angel@sfd-diamond.com
www.sfd-usa.com



GIE Media
 Aerospace Manufacturing & Design, Today's
 Medical Developments, Today's Motor Vehicles
 Mike DiFranco
Group Publisher
 Phone: 216-393-0235
 mdifranco@gie.net
www.giemedia.com