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**2022 SPRING
INSTITUTE MEETING**
The Greenbrier
White Sulphur Springs, West Virginia
April 30 - May 2

Registration is open until March 30,
and more information can be found [here](#).

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Jeff Major

USCTI President's Message

To all USCTI members and sponsors:

I am excited to be writing to you in my first term as President of the USCTI. Thank you to Bret Tayne for his leadership during the past two years.

In 2022, we're continuing to see strong demand for cutting tools. The overall industry projections remain positive. The country appears to have survived another wave of the COVID virus and things are returning to some sense of normalcy. We continue to face challenges with heightened costs and labor shortages, but hopefully this will level out. We now face new world events with the conflict in the Ukraine, which has our world on edge. Let us hope for a quick, peaceful solution to this conflict.

Our next meeting is right around the corner, April 30 – May 2 at The Greenbrier in White Sulphur Springs, WV. The Greenbrier will offer many activities in its historical setting. We are hoping for increased attendance over our fall meeting in San Antonio and to reconnect with those we have not seen for some time. We have a robust agenda scheduled for the spring meeting. Our keynote speaker is John Brandt of The MPI Group, and Thomas Pace of NetRise will speak on day two. Shortly, we will be reaching out to members for topics for our roundtable discussion. The discussion time and social events provide an invaluable opportunity to network.

Our Board of Directors continues to try and find ways to increase the value of our organization. Areas of additional statistical reporting include raw materials and scrap prices, and we are increasing technical based content on the USCTI website. In addition, we are planning a regional technical training. Check your inboxes for more information.

There is also a strong initiative to increase membership, headed up by Brent Williams. The infusion of new members is important due to continuing industry consolidation through acquisitions by other member companies. This has a direct effect on our operating expenses and reserves. Please continue to solicit membership to other cutting tool companies you have contact with. We welcome any other ideas or thoughts on how we can increase the value of our organization.

In closing, the road to business recovery has been long and difficult at times, but we will endure. I look forward to seeing everyone this spring at The Greenbrier!

Jeff Major
Greenfield Industries
USCTI President

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Technical Committee Update

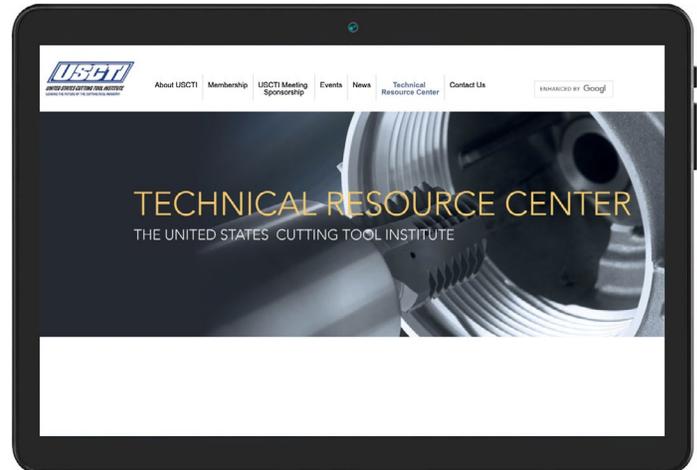
We have been compiling technical-based content from member companies for purposes of updating the Technical Resource Center on the USCTI website. As part of this, we are also refreshing the navigation of this section of the site to make it easier to find the new content. Next, we will be discussing how to distribute this content to members on an ongoing basis and how to expand distribution to attract a greater end-user audience to our website, association, and members.

We are still interested in additional technical content (no sales/product content) to the site from member companies. Areas or topics of interest include:

- Machining best practices (milling, hole making, threading, turning, etc.)
- Metallurgy/tool material science and metallurgy
- Toolpath strategies
- Tool holding
- CVD and PVD tool coating science

Member companies can submit technical info to uscti@uscti.com.

Drew Strauchen, Technical Committee Chair
 GWS Tool Group



Statistics Committee Update

USCTI continues to evaluate ways to provide more benefit to its members. Last year, thanks to Griggs Steel and Ceratizit, we agreed that, on a quarterly basis, members who participate in the statistics program would also receive alloy surcharge charts for M2 & M42 high speed steel in addition to tungsten raw materials data and commentary. The first reports were released in January.

We are working with AMT to review the current joint statistics report to ensure it is providing the most value for members. We are considering the addition of a book-to-bill ratio to enhance the current reports.

As we have previously done, USCTI and AMT will be hosting a breakfast at IMTS in September where IHS Markit will provide an update on the cutting tool forecast and a guest presenter. Further information and registration details will be sent this summer.

If there is additional information that would be of benefit to you, as members, please email the USCTI office, uscti@uscti.com, and we can discuss during upcoming committee meetings.

As always, please ensure you are submitting your data accurately and on time.

Brian Norris, Statistics Committee Chair
 Dormer Pramet

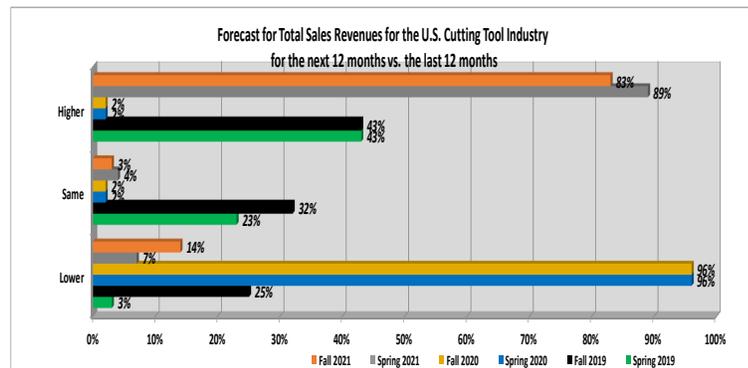
2022 Fall Business Outlook Survey

Fewer member companies responded to the Fall 2021 Business Outlook Survey than in the spring, though trends continued to be better than 2020. Highlights from the survey include:

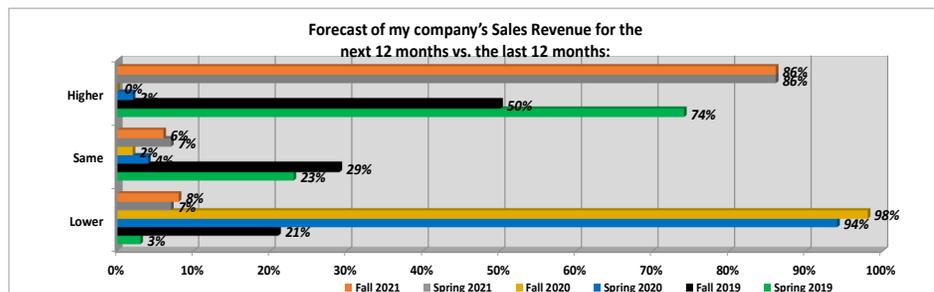
- 83% of respondents think the industry forecast for the next 12 months will be higher than the previous 12 months (in the fall 2020 survey, only 2% thought the next year would be higher).
- Sales revenue for nearly 90% of member companies who responded was higher than the same quarter in 2020.
- 86% of both the spring and fall 2021 respondents noted that sales revenue for the next 12 months, compared to the last 12 months, would be higher.
- 86% of respondents noted that raw materials prices were higher, compared to the same three months the year prior when only 14% of respondents saw higher process.
- Comments noted the continued challenges with supply chain and the rate of inflation.

In light of the continued changes over the past couple years, it's more important than ever for all members to participate in the spring 2022 survey, which will be sent out shortly and results discussed during the Spring Institute Meeting. The results can prove beneficial to all members.

Industry Forecast



Company Forecast



USCTI Meetings

Future Meeting Dates

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

2022 Spring Meeting

April 30-May 2, 2022
The Greenbrier
White Sulphur Springs, WV

2022 Fall Meeting

October 29-31, 2022
The Broadmoor
Colorado Springs, CO

2023 Spring Meeting

May 13-15, 2023
Kiawah Island, SC

2023 Fall Meeting

October 14-16, 2023
Hilton Luxury Collection Hotel
Seattle, WA

2024 World Cutting Tool Conference

May TBD
Osaka, Japan



Message from the Programs Committee

Although Covid was still a major obstacle last year, we were able to have two in-person meetings. Our spring meeting in Florida was a bit shortened, but our October meeting in San Antonio was back to normal. Although we had our regular line-up of speakers, the most important part of the meeting revolved around networking, discussion of current market conditions, and solutions members have implemented to resolve these issues.

This year, we have two fantastic venues booked for our spring and fall meetings. Our spring meeting is being held at The Greenbrier in White Sulphur Springs, WV, from April 30-May 2. If you haven't already signed up, I encourage you to consider attending. The bunker tour alone is worth the trip, but we have great speakers and networking planned for the meeting. The fall meeting will be held at The Broadmoor in Colorado Springs from October 29-31. We are finalizing the speakers for that meeting, and the resort and the area of Colorado Springs are beautiful and worth the trip.

On behalf of the Programs Committee, I hope to see you at The Greenbrier in April.

Sincerely,

Mike Stokey
Allied Machine & Engineering
Programs Committee Chair



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FTC Ups the Ante on Misleading “Made in USA” Claims

By Linda A. Goldstein, Esq.

On July 1, in a bipartisan 3-2 vote, the Federal Trade Commission (FTC) issued a new Made in USA Labeling Rule that took effect Aug. 13. The new rule governs the use of unqualified “Made in USA” claims on product labels and prohibits making such claims unless certain conditions are met. While the rule codifies the standards that the FTC has previously established for such claims, for the first time in history marketers who improperly claim that their products are “Made in USA” will be subject to civil penalties of up to \$48,230 per violation.

What Does the Rule Require?

The new rule prohibits marketers from making unqualified “Made in USA” claims on product labeling unless all three of the following conditions are met:

- Final assembly or processing of the product occurs in the United States.
- All significant processing that goes into the product occurs in the United States.
- All or virtually all ingredients or components of the product are made and sourced in the United States.

During the two-year rulemaking process, many commenters requested that the FTC consider a standard other than “all or virtually all.” The FTC acknowledged that there is no single bright line to establish when a product is or is not “all or virtually all” made in the U.S., but rejected all proposed alternatives including: a percentage of cost standard; an allowance for materials or parts that cannot be obtained in the United States; and a standard that provides a safe harbor for marketers who make good faith efforts to comply.

The FTC did, however, identify some of the factors that it will consider when determining whether the product meets the “all or virtually all” standard, such as the portion of the product’s total manufacturing costs attributable to U.S. parts and proceedings, how far removed the foreign content is from the finished product, and the importance of the foreign content to the form or function of the product.

When Does the Rule Apply?

The rule applies only to unqualified “Made in USA” claims. However, as with all claims, the FTC will look to both the express and implied claims being conveyed. Any “Made in USA” claim that is presented without qualifying language runs the risk of being deemed subject to the rule.

Qualified “Made in USA” claims must still be truthful and adequately substantiated. If not, they will be treated under Section 5 of the FTC Act, which prohibits false and misleading advertising claims. However, this means that the FTC will not be entitled to receive civil penalties against those who make improper qualified “Made in USA” claims.

The rule clearly applies to physical labels affixed to a product or packaging. However, the FTC has broadened its scope to include a seal, mark, tag, or stamp labeling a product that appears in “any materials used in direct sale of products or services in print or by electronic means that solicit the purchase of the product or service by mail, telephone, email, or any other method where the consumer does not previously examine the product.”

This expansion drew strong criticism from FTC Commissioner Christine Wilson, who argued that the new rule exceeds the FTC’s preceding rulemaking authority. She cautioned that the FTC’s new language “could bring within the scope of the rule stylized marks in online advertising or paper advertising and potentially other advertising marks such as hashtags that contain ‘Made in USA’ language.”

The FTC acknowledged that there is no single bright line to establish when a product is or is not “all or virtually all” made in the U.S.

Shifting Environment in the FTC

This rulemaking process also offers some interesting insights into the current FTC environment.

In June 2021, the Supreme Court ruled in *AMG Capital Management LLC v. FTC* that the FTC did not have the authority to obtain any monetary relief under Section 13(b) of the FTC Act. This stripped the FTC of one of the most powerful weapons it has used for decades to obtain monetary relief in enforcement actions. While the FTC can still obtain monetary relief, it will have to go through a more cumbersome process.

Since, the FTC has publicly stated that it will look to other avenues to obtain monetary relief and highlighted violations of trade regulation rules as an option. It is likely that the FTC will increase its rulemaking activity, and recent changes to the Commission’s rulemaking process will make it easier for the FTC to do so. Also, expect increased enforcement of violations of rules such as Can-Spam governing email communication and ROSCA (Restore Online Shoppers’ Confidence Act).

In addition, the nature of the vote on this rule is reflective of increased partisanship within the FTC. While not nearly as acute as in some other branches of government, we are seeing this more frequently than in many recent years.

Special Thanks To Our 2022 USCTI Meeting Sponsors



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