

Informers

Informing, planning and taking action



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LEADING THE FUTURE OF THE CUTTING TOOL INDUSTRY

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**Fall
Institute
Meeting**
October 24-26, 2015

Join USCTI as we explore the beautiful wine country of Napa Valley while gaining valuable information about the cutting tool industry. The USCTI Fall Institute Meeting will take place October 24-26, 2015, at the Meritage Resort in Napa, Calif.

Our keynote speaker this fall is John O'Leary, who will share his personal story of recovery from a tragic explosion that left him with burns on 98% of his body, after which he was given only a 1% chance of living. We will also hear from Mary Owens on how long-term U.S. energy development strategies will have a positive impact on American manufacturers in the coming decades. USCTI has also invited back one of our favorite presenters, Bill Strauss, who will be updating us on the present manufacturing economy.

We have many events planned, including golf, winery tours, wine pairing classes for spouses, and an evening at Artesa Winery. We hope you can join us for this opportunity to learn and network in wine country. Watch your inboxes for more information!

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USCTI President's Message



Thomas Haag

Fellow Metal Heads:

As the Fall Meeting approaches at the Meritage Resort in Napa, many of us are probably considering business plans for 2016 and beyond. We hope you will take a weekend to join us as we present many opportunities for you to network and prepare your business for next year. Challenging business conditions for 2015 are accentuated by the strong dollar, the weak oil and gas market (so much for our energy theme in Austin!), and a muted Chinese recession with slowing recovery. As your USCTI President, I had the honor of representing our organization at the most recent ECTA Conference in London last May. Our European colleagues are faced with similar challenges, but the North American market seems to have recovered much better from the 2009 global recession. Our upcoming 2016 World Cutting Tool Conference will allow all of us the opportunity to dialogue with our foreign colleagues and competitors.

Our USCTI meeting in October is only a few weeks after EMO Milano 2015 in Milan, Italy. It should give us an indicator of industry innovations coming in 2016. Don't miss your opportunity to find out how industry colleagues are addressing current issues.

By the time we meet, I hope you will have had the time to study the first six months of our new statistics reporting. This meeting will give you the opportunity for feedback, not only on the statistics themselves, but perhaps even how you use the statistics within your company. Has the new format helped your company? Is your reporting method working? We want to hear from you. By the time we get to the World Conference next spring in Hawaii (Yes, that's HAWAII in 2016!), we will already have one year of statistics under our belt as a benchmark for the coming years.

Last, but not least, let's enjoy wine country! There is no better place to relax and soak in the sun's glow and soak in the Merlot at the same time! And maybe, if we are really lucky, the Giants will be playing in the World Series again and we can celebrate with them. We look forward to seeing you once again.

All the best,
Tom Haag

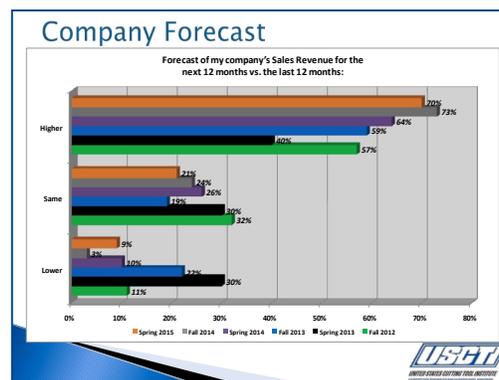
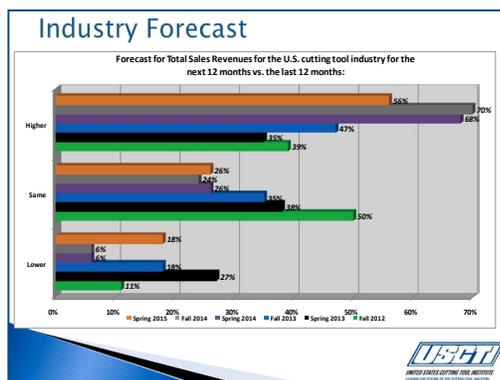
Spring 2015 Business Industry Outlook Survey Results

The results of the USCTI Cutting Tool Business Outlook Survey presented during the spring 2015 Institute Meeting indicated that U.S. cutting tool industry sales revenue forecast for the next 12 months vs. the last 12 months was down 12% from the same quarter in 2014. Sales revenues for the most recent quarter this year vs. last year were up by 10%. The member company sales revenue forecast for the next 12 months vs. the last 12 months is up 6% from same quarter last year.

The PowerPoint presentation of the survey results is available to all members through the USCTI Secure Virtual Office (SVO).

To access the documents you have read about in the Cutting Tool Informer, log on to the USCTI Secure Virtual Office (SVO), using your unique username (email) and password.

Passwords are case sensitive. If you have forgotten your password, you can click on the 'Forgot Password?' link and you will receive an email with your login information. Or contact the USCTI office for assistance.



Technical Committee Update

The Technical Committee continues to move forward on several projects, including the completion of a new solid carbide drill standard, NAS988, which was balloted in July. NAS937 (Drills, Double Margin Stepped, High Speed and Cobalt, 1/8 inch thru 1/2 inch) is currently under review.

Over the next six months the Technical Committee will be collaborating with the working group on publishing NAS988 and republishing NAS937. They will also begin revisions on NAS986 (End Mills, Finishing, High Speed Steel, .125 inch thru 3.000 inch diameter). In 2016 the group will begin development of a solid carbide end mill standard, which will be a multi-year effort.

The USCTI Technical Committee is made up of 26 member companies. Active USCTI members in the AIA Working Group consist of Phil Kurtz, Wetmore Tool & Engineering Co.; Steve Boyer, Alvord-Polk Tool Co.; Ray Moring, Greenfield Industries, Inc.; and Al Choiniere, Superior Inc.

We Need Your Ideas

We are currently updating the USCTI website and are seeking your ideas! The USCTI Technical Resource Center on the website is an excellent source for a vast array of technical information on cutting tools, surface coatings, and materials. The Technical Committee utilizes the Resource Center to broadcast additional information and updates on a continuing basis; however, we would love to have further input and ideas from membership to help make the Resource Center a useful hands-on tool for new cutting tool engineers coming into our industry. Please send your ideas and input to uscti@uscti.com. Additional white papers would be welcome and much appreciated.

Statistics Committee Update

Dear Statistics Junkies,

On behalf of your Statistics Committee, I would like to thank you for such a smooth transition to our updated statistics program. We are still working through some items, but the main objectives of collaborating with AMT and enhancing our USCTI Statistics program to meet the current needs of our USCTI members have been achieved.

As our collaboration with AMT continues, the Committee was charged with nominating members to participate in a USCTI/AMT Joint Statistics Committee. Yours truly, Mick Armstrong from Micro100, and Mathias Barlat from Kennametal were nominated to represent USCTI.

An ECTA Update

President Tom Haag and USCTI Secretary/Treasurer Susan Orenge attended the recent ECTA meeting and introduced our new collaborative program to the association. The goal was to begin the conversation of having ECTA participate in program as well, which would give members a better picture of the U.S. and European markets. There were no commitments made by ECTA, but the dialogue will continue.

The Future

Your Committee is working on two initiatives:

- The Committee agreed that the base year data for the Statistics Report should be updated from 2007 to 2012. USCTI will send out the necessary forms needed to capture the data from each member.
- Jim Haag has agreed to take on working with the appropriate members to launch our Hardcoating Statistics report. Please [contact USCTI](#) if you manufacture coating tools so we can include you in the report.
- In 2016 we would like to roll out a regrind report. We are developing the report now and expect to send out the appropriate forms this fall so you can prepare for the launch next year.

Sincerely,
Steve Stokey
Statistics Committee Chair

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Future Meeting Dates

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

2015 Fall Meeting

October 24-26
Meritage Resort
Napa, California

2016 World Cutting Tool Conference

April 9-12
Fairmont Orchid
Big Island, Hawaii
www.wctc2016.com

Spring 2015 Institute Meeting

A beautiful spring weekend in Austin made the USCTI Spring Institute Meeting at the historic Driskill Hotel even more enjoyable. Keynote speaker Jason Young was very well received as he spoke about promoting leadership. Tanya Bodell spoke to attendees about the economy and its impact on the industry, and John Ashford gave us a preview of the presidential race. John Schober rounded out the speaker presentations, discussing innovation within an organization.

Members had an opportunity to enjoy Austin during the scavenger hunt and food tour, and right outside the hotel's doors was Austin's famous 6th Street, where the Pecan Festival took place. Sunday evening's barbecue at the Salt Lick combined traditional Texas barbecue with a beautiful location.

To access Spring Meeting presentations, visit the USCTI SVO.



Spring Meeting Survey Provides Recommendations for Future Meetings

In the recent post-event survey, USCTI members were asked to identify which locations (cities) would be their favorites for upcoming USCTI meetings. The overwhelming response narrowed it down to Charleston and Boston. USCTI is working hard to scout both locations, so stay tuned on what to expect in 2017!

USCTI members were also surveyed on what subjects would be of most interest when it comes to future speakers. 3D printing, economics in manufacturing, and leadership, among others, were the resounding winners for topics. We are working to secure speakers for our upcoming meetings on these key topics.

Thank you again for your responses. We look forward to learning more about your needs in the next survey!



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BYOD: Consider Risks of "Bring Your Own Device" Programs

By Joseph P. Boeckman

In today's digital world, an increasing number of companies are authorizing their employees to use their personal devices for work purposes. The cross-use of mobile devices for both personal and work purposes, commonly referred to as "Bring Your Own Device" or "BYOD" for short, has created a new backdrop for doing business that was hardly conceivable just a few years ago. These BYOD programs allow employees to use their personal laptops, tablets, and smartphones to access business content and conduct work activities both in and out of the workplace, giving them immediate communication and access to business information 24/7.

BYOD programs have a number of benefits for both employers and employees. Benefits to employees include heightened job productivity, increased flexibility, and improved job satisfaction. Employers see BYOD programs as giving their employees the freedom to work and collaborate in the way they prefer and providing for a more mobile, productive, and satisfied workforce. Despite the appeal and seeming convenience of BYOD programs, many employers are unaware of the serious consequences that can follow a BYOD program and are adopting company policies and procedures without first considering and planning for the potential risks involved in the implementation and operation of such a program. BYOD programs increase compliance challenges for organizations of all sizes, and the implementation of a BYOD program generally results in a significant increase in technological and administrative complexity.

By enacting a BYOD program, an employer can expose itself to various liabilities, ranging from increased monetary costs to security breaches. Developing case law reveals that in some states, employers with BYOD programs will have to reimburse employees for the use of their electronic devices.

In addition, BYOD programs may bring increased wage and hour claims by both non-exempt and exempt employees. If personal devices are used or accessed outside of the workday, non-exempt employees could bring claims of minimum wage or overtime violations, while exempt employees could bring claims of working while on leave. Both claims could lead to employer liability for various penalties.

Importantly, BYOD programs can pose security risks for employers. When employees can use their own devices at any time, employers are allowing their confidential information to leave the corporate infrastructure. This leaves trade secrets and proprietary data vulnerable to unauthorized access. This lack of control increases the risk for security and data breaches of confidential information.

Similar issues may arise with lost or stolen devices and again with terminated employees. BYOD programs may also prove problematic with employees who simply have bad Internet habits. Visiting unsecure sites or networks, not having a suitable password, or falling for a phishing scam all invite the risk for a security breach.

A growing area of concern regarding BYOD programs involves litigation holds. Electronic discovery obligations may be compromised if employees fail to preserve certain information on a personally owned device used for work-related purposes. An employer could face potential spoliation claims in litigation based on such failures.

The development and implementation of a BYOD program presents a host of administrative and technical challenges. Designing a BYOD program does not lend itself to easy answers or

"cookie cutter" approaches, and there is no one-size-fits-all solution or set list of "do's and don'ts" that will apply in all cases.

While the risks may seem overwhelming, they can be manageable, and there are certain principles and considerations that can help guide employers in implementing a successful BYOD program. For example, before creating a BYOD program, an employer should first consider the pros and cons of programs that allow BYOD usage and then tailor the program to their own needs. In developing their programs, employers should consider including the following: permitted and prohibited uses and consequences of violations; monitoring and no expectation of privacy provisions; "return of property/information" requirements; third-party information guidelines; and a data breach response procedure. Further, the program should require express employee consent, and enforcement should be consistent.

In most cases, taking an organization-oriented approach to the program development process will yield the best results. The effort should involve all relevant stakeholders — typically including senior management, IT, legal, human resources, and others (as appropriate) — thoroughly discussing which path or paths to legal compliance would best serve the organization's business needs. Once compliance and business goals have been established, they will serve as the framework for the design and implementation of specific programs and procedures. Given the rapidly evolving BYOD technology, regularly scheduled reviews for purposes of adjusting and updating programs should be built into the backbone of any BYOD program.

Finally, because of the advancements and constant changes in BYOD technology, employers are urged to monitor legal developments to create proactive programs and maintain specific procedures that will not only manage the risks of these programs in the workplace, but also best serve the organization's business needs. Being aware of the issues is the first step to an effective BYOD program.

When employees can use their own devices at any time, employers are allowing their confidential information to leave the corporate infrastructure.



This article was written by Joseph P. Boeckman, a partner in the Business Group of BakerHostetler, with the assistance of Jessica L. Greenberg, an intern at BakerHostetler and law student at The Ohio State University. Mr. Boeckman serves as outside counsel to the United States Cutting Tool Institute.

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