

## Surface Finishing Government Relations News



Christian Richter & Jeff Hannapel, The Policy Group, LLC, Washington, DC

### ***Finishers Lead Delegation to White House, Testify Before Congress on OSHA Rule***

The finishing industry recently led a key industry delegation to the White House to meet with senior officials in opposition to OSHA's pending chromium exposure rule. Among the participants were Lockheed Martin and the Aerospace Industries Association, as well as the specialty steel and ship-building industries. Since the finishing industry filed its last formal round of comments to OSHA in late April and fielded over a dozen witnesses to testify before the Agency in February, Government Relations has pressed for informed review of what is arguably a severely flawed analytical foundation for the proposed standard of  $1 \mu\text{g}/\text{m}^3$ .

### ***Broadening Focus Beyond Plating—Aerospace, Steel & Ship-building***

Last week's industry/White House exchange focused on topics from recent finishing industry discussions with the aerospace industry regarding the rule's adverse effects on defense-related operations and manufacturing competitiveness, the technical challenge of meeting the proposed standard for a range of chromium-based operations, and the uncertainties associated with OSHA's risk assessment to support a limit of  $1 \mu\text{g}/\text{m}^3$ . Government Relations brought in risk assessment expert JoAnne Shatkin from the Washington-based Cadmus Group for the meeting to point out the shortfalls in OSHA's extrapolation of older "high exposure" worker data from chromate production facilities to lower exposure environments currently found in surface coating and related indus-

tries. Recently, the steel, ship-building and aerospace industries agreed to help the finishing industry fund further scientific review of OSHA's analytical work to maximize the odds of setting a more reasonable, defensible and protective worker exposure limit. The limit suggested by the group to the White House Office of Information and Regulatory Affairs (OIRA) was over  $20 \mu\text{g}/\text{m}^3$ .

### ***Finishers Get Congressional Hearing—Testify with OSHA, Public Citizen's Joan Claybrook on Capitol Hill This Week***

The industry will also testify this week before the House Government Reform Committee on the economic and competitive impacts of the OSHA rule. Thanks to finishing industry representatives who educated federal lawmakers during the SFIC Washington Forum ([www.sficwashingtonforum.com](http://www.sficwashingtonforum.com)) just over a month ago, Michigan Republican Congresswoman Candice Miller is taking up the surface finishing cause in the Regulatory Reform subcommittee this week. On Tuesday, June 28<sup>th</sup>, Miller, who chairs the Regulatory Reform panel, has called for the surface finishing industry to testify on the rule, along with Department of Labor Secretary Elaine Chao's policy chief, Ronnie Stidvent. Rounding out the panel will be renowned activist Joan Claybrook, who heads Ralph Nader's Public Citizen group, one of the main plaintiffs in the aggressive federal court order mandating OSHA to revise the hexavalent chromium standard. Washington economist Stuart Sessions will deliver industry's testimony.

### ***Join the Fight—Contribute to the OSHA Chromium Defense Fund***

The finishing industry is facing one of the most significant regulatory threats and one of the most expensive regulations in recent memory. In order to advance the industry's position and engage effectively with top national decision makers, the industry must fund ongoing engineering, economics and scientific efforts on the rulemaking. Please send checks to: SFIC, 21165 Whitfield Place, Suite 105, Potomac Falls, VA 20165.

### ***Finishers Participate in Advanced Manufacturing Leadership Forum***

The National Council for Advanced Manufacturing (NACFAM) held its now annual "Advanced Manufacturing Leadership Forum" in early June. BJ Mason, Mid-Atlantic Finishing, and Christian Richter, The Policy Group, represented the finishing industry. Attendees addressed manufacturing strategies in the current economic climate, and exchanged views with congressional and Bush Administration leaders on trade and competitiveness issues. Speakers included Congressman Vernon Ehlers (R-MI), Senator Herb Kohl (D-WI), Acting Deputy Secretary of Commerce David Samson, Congressman Don Manzullo (R-IL) and Al Frink, the Administration's "Manufacturing Czar." The Surface Finishing Industry Council joined NACFAM last year to promote the finishing industry and support strategic research and policy analysis on manufacturing issues. For more information on this effort, please see NACFAM CEO Eric Mittelstadt's presentation from the May SFIC Washington Forum at [www.sficwashingtonforum.com](http://www.sficwashingtonforum.com).

## First Quarter Productivity Rose in Manufacturing Sector

The Bureau of Labor Statistics recently released data on 1<sup>st</sup> Quarter productivity in the manufacturing sector as measured by output per hour of all persons. The report noted that manufacturing productivity rose 4.4% during the 1<sup>st</sup> Quarter, a number that was revised from initial reports in May to reflect faster than anticipated growth in nondurable goods manufacturing. The report also indicated that output grew 3.5% while working hours of all persons declined 0.9%. Hourly compensation for workers also rose 6.2%. For more, see <http://www.stats.bls.gov/news.release/prod2.nr0.htm>.

## China Should Revalue its Currency, Joint Economic Committee (JEC) Study Says

A new Joint Economic Committee (JEC) study, PRC's Pegged Exchange Rate Contributes to Global Imbalances, released on May 25, 2005, argues that the undervalued yuan is a major contributing factor in China's export-led economic development. The study, released by Chairman Jim Saxton (R-NJ), Congressman Phil English (R-PA) and Congressman Thaddeus

McCotter (R-MI), examines the economic effects of the Chinese currency peg and its relationship with other countries' economies. The study notes that the Chinese central bank frequently intervenes in order to maintain the current peg, prompting other Asian countries to lower their currencies as well in order to remain competitive with China. This practice results in a distortion of price signals and creates imbalances in the global economy. As Representative McCotter stated in the JEC press release announcing the study's findings, "Communist China is strategically manipulating its currency to exacerbate our trade deficit and singularly eroding our manufacturing base. This activity must end immediately." The full report can be found at <http://www.house.gov/jec/publications/109/prc05-25-05.pdf>.

## Rising Energy Prices Seen As Barrier to Growth in Manufacturing Industry

Results from PricewaterhouseCoopers' most recent Manufacturing Barometer Survey indicate that 47% of manufacturers view rising energy prices as a potential barrier to growth in the next year. Among those manufacturers, 59% stated they are passing through price increases and 41%

cited shrinking gross margins during the past quarter. Complete survey results can be found at [http://www.pwc.com/extweb/pwcpublications.nsf/4bd5f76b48e282738525662b00739e22/5d8d4f1d6ac25ad685257012004ab202/\\$FILE/Manufacturing%20Barometer%20Full%20Report%20-%202005-06-01.pdf](http://www.pwc.com/extweb/pwcpublications.nsf/4bd5f76b48e282738525662b00739e22/5d8d4f1d6ac25ad685257012004ab202/$FILE/Manufacturing%20Barometer%20Full%20Report%20-%202005-06-01.pdf).

## U.S., Chinese Leaders Meet to Discuss Trade Issues

House Small Business Committee Chairman Don Manzullo (R-IL) chaired the sixth U.S.-China Inter-parliamentary Exchange on June 15, 2005. The discussion focused on trade issues, primarily pertaining to China's currency manipulation and measures introduced in Congress to address related trade imbalances. One such measure, S. 295, would require China to revalue its currency relative to the U.S. dollar or face a 27.5 percent duty on Chinese imports. The U.S. trade deficit with China reached \$162 billion in February 2005. In July, members of Congress will travel to Beijing to meet with members from China's National People's Congress to continue their discussion. *P&SF*

# AESF Research Patrons, Associates & Sponsors

**Research Program Objective**— "To arrange for and encourage the development of information in harmony with the objectives of the Society, and to disseminate this knowledge."

In 1919, Dr. William Blum asked the Society to help fund research efforts of the National Bureau of Standards. This marked the beginning of the AESF Research Program, which expanded its support in 1944 to include such other facilities as universities and colleges, industrial firms, and independent research centers and labs. Please help provide the funding to keep our industry moving forward. Your support is appreciated.

## Research Patron (\$1,000 contribution)

American Nickeloid Co ..... Peru, IL  
Atotech Canada Ltd ..... Burlington, ON  
Chicago Branch, AESF ..... Chicago, IL  
Heatbath Corporation ..... Anaheim, CA

## Research Sponsor (\$250 contribution)

Alexandria Metal Finishers Inc. .... Lorton, VA  
Allegan Metal Finishing Co ..... Allegan, MI  
Allied Finishing Inc ..... Grand Rapids, MI  
Amerock Corp ..... Rockford, IL  
Anoplate Corporation ..... Syracuse, NY  
Associated Rack Corporation ..... Vero Beach, FL  
Berteau-Lowell Plating Works ..... Chicago, IL  
Chem Processing Inc ..... Rockford, IL  
Chemical Equipment ..... Markham, ON  
Cincinnati Branch, AESF ..... Cincinnati, OH  
Columbia Chemical ..... Brunswick, OH  
Connecticut Branch, AESF ..... Southington, CT  
Craftsman Plating & Tinning ..... Chicago, IL  
D.B. Metal Finishing ..... Rockford, IL  
Deveco Corporation ..... Belvidere, IL  
Elco Industries, Inc ..... Rockford, IL  
Electro Chemical Finishing ..... Wyoming, MI

EndPoint Inc ..... Rockford, IL  
Falconbridge, Ltd. .... Falconbridge, ON  
Finishing.Com, Inc ..... Levittown, PA  
Haviland Products Co ..... Grand Rapids, MI  
Heatbath Corporation ..... Indian Orchard, MA  
Heroux Devtek Inc ..... Longueuil, QC  
Honeywell FM&T ..... Kansas City, MO  
Hubbard-Hall Inc ..... Waterbury, CT  
INCO Limited ..... Toronto, ON  
Indianapolis Branch, AESF ..... Columbus, IN  
Indianapolis Branch, AESF ..... Columbus, IN  
James Precious Metal Plating ..... Chicago, IL  
Kuntz Electroplating Inc ..... Kitchener, ON  
Metal Finishing ..... New York, NY  
Milwaukee Plating Co ..... Milwaukee, WI  
Modern Metal Products Co ..... Loves Park, IL  
Modern Plating Corp ..... Freeport, IL  
National Manufacturing Co ..... Sterling, IL  
Palm International Inc ..... La Vergne, TN  
Pavco ..... Warrensville Heights, OH  
Perfection Plating Inc ..... Elk Grove Village, IL  
Quality Metal Finishing ..... Byron, IL  
Quality Metal Finishing ..... Byron, IL  
Reliable Plating Corp ..... Chicago, IL  
Reliable Plating Works, Inc ..... Milwaukee, WI  
Scientific Control Lab Inc ..... Chicago, IL  
Scientific Control Labs Inc ..... Chicago, IL  
Sloan Valve Co ..... Franklin Park, IL  
SWD Inc ..... Addison, IL  
The Finishing Co ..... Franklin Park, IL  
Thomas Steel Strip Corp ..... Warren, OH  
Three J's Industries, Inc ..... Elk Grove Village, IL  
TRB Electro Corp ..... Paterson, NJ  
UIC/Uyemura International Corp ..... Ontario, CA  
Viking Chemical Company ..... Rockford, IL  
Walgren Co., Inc ..... Grand Rapids, MI