

THE CUTTING EDGE

WOOD MACHINERY MANUFACTURERS OF AMERICA

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WIC 2002

The 11th Annual Woodworking Industry Conference is just around the corner & we want to see you there!



The conference is co-sponsored by three industry associations – The Association of Woodworking & Furnishings Suppliers® (AWFS®), The Woodworking Machinery Industry Association (WMIA) and The Wood Machinery Manufacturers of America® (WMMA®). They have put a program together that you won't want to miss !

Invest in your most valuable asset: your business and attend WIC 2002. At WIC 2002, learn how to take technology by the hand, make it work for your business and see your investment return grow.

Shorter Schedule

The new schedule allows you to accomplish more with less time away from the office. Tuesday and Wednesday are dedicated to committee meetings and recreation. The conference sessions get underway on Thursday and wrap up on Saturday afternoon. You'll gain a wealth of knowledge with just a few short days away from the office.

Contact Tables

WIC 2002 offers the industry's only contact table program, the most cost-efficient opportunity for importers, manufacturers, distributors and suppliers to do business.

Participants will substantially reduce the cost of sales contact during the two-day program. Networking has never been easier or more affordable with the opportunity to hold more than 25 meetings in one place.

Contact tables are on a first-come, first serve basis. Space is limited, in order to guarantee space, you must reserve by April 15, 2002.

Don't let this once-a-year opportunity pass you by!

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Did you Know...?

Editor's Note: This is the second in a series of features discussing WMMA programs and services available to the membership.

Did You Know...

...that, with just 3.6% of the 2001 expense activity, WMMA's Membership Committee recruited 42 new members; retained 92% of its existing membership; and surpassed its goal of 250 members for 2002 before the year 2001 ended? By yearend, WMMA membership totaled 252 members.

Key Committee projects during 2001 included:

- Supporting nearly half the membership during three regional trade shows and spreading the benefit story to prospective members.
- Recognizing new members and their recruiting partners at the WIC.
- Enhancing the mentor program to assist all new WMMA members and ensure that those members receive the information and assistance they need in order to retain them as member companies over the long term.

For 2002, the Membership Committee will continue its various recruitment and retention efforts. Particular emphasis is focused on recruiting those companies which exhibit at IWF. A detailed mailing was sent to about 600 company prospects, and WMMA Staff will conduct targeted recruitment during three TSI regional shows. The Committee is also trying to reach all members from the past five years who have not had company representation at a WIC and encourage—via two complimentary registration coupons and a stipend—their participation in May's WIC, where member networking really gets established. In addition, the first ever WMMA Member and Prospective Member breakfast was held on the second morning of the Carolinas Industrial Woodworking Expo in Greensboro; over 100 attended (see further details elsewhere in this issue).

If you would like to assist this dynamic committee or have questions about WMMA programs, please contact Committee Chairman Peter Perez at (616) 451-2928 or staff liaison Jean McCann at (215) 564-3484, x205 or e-mail her at jmccann@fernley.com.

Continued from front page

Program Highlights

The program kicks off Thursday, May 2nd at the General Lunch Session with Dr. Patrick Moore, co-founder of Greenpeace and former president of Greenpeace Canada. With logical argument based on scientific facts, Moore describes the state of our forests today and why growing more trees and using more wood helps increase forestland.

The Educational Seminars scheduled for Saturday will be unparalleled. The information gleaned from these sessions are sure to provide you with quality take-home information that you can implement in your day-to-day business environment.

Michael L. Gillland, PE, CSP, vice president and manager, Engineering Systems Inc. and Rodney E. Schaeffer, vice president and manager of safety engineering, Engineering Systems Inc. will be speaking on ***“The Cost of Ergonomics and What You Can Do About It”***. This workshop will help business owners and managers better understand ergonomic requirements and avoid unnecessary cost as well having manufacturers learn important guidelines for ergonomic design of their machines.

Are you finding it difficult to attract and keep quality employees? Lynn Hauser, Training Systems, Inc. will cover ***“Recruit, Inspire and Retain Great Employees”***. Learn a step-by-step method of developing and implementing a recruitment plan and keep the employees you need to exceed your customers needs.

Shep Hyken, CSP will cover ***“Creating Moments of Magic, Excellent Customer Service, Customer Relations and Customer Retention”***. In this high-energy program you will learn about managing people-to-people contact, building stronger relationships, meeting and exceeding expectations and concepts such as the moments of truth, mystery and magic.

“How to Maximize the Return on Investment from your Business” is what Bob Landon, CPA will be discussing. Landon will show you how to differentiate your product and service in the marketplace, thus enabling you to achieve a higher gross profit. You'll learn how to improve profitability in your business immediately and for years to come.

James “Dart” Meadows, Attorney at Law, Meadows, Ichter & Trigg specializes in the fields of product liability, personal injury, medical malpractice, real estate and commercial disputes. At WIC 2002, Meadows will focus on ***product liability prevention and defense, which are very important issues to the industry***. He will update attendees on significant developments affecting the woodworking industry, recent cases involving woodworking machines and power tools and manufacturer/dealer/distributor issues.

WIC 2002 is definitely not all work and no play. With an array of sporting events from Skeet Shooting (new this year), WIC Golf & Tennis Tournaments to Rafting Down the Guadalupe, make sure you do your favorite along with trying something new.

We know that children are a big part of all our lives so we have thought of everything! The Resort's Westin Kids Club® is a special program for children ages three to 12. Activities include coloring, painting, volleyball, tennis and much more. Contact the hotel Concierge for more information.

Don't miss this great opportunity to see knowledgeable speakers, a large forum of seminar topics and face-to-face networking will provide you with the tools you need to capitalize on your business investment.

Register today

Public Policy

The Power of Us

Sheldon London, London & Satagaj

Each year the Public Policy Committee convenes in Washington. One of our purposes is to evaluate, set and review WMMA public policy positions. The second goal is to communicate with members of Congress. Over the last two years, we have made some very positive advances in achieving this latter goal.

This year, we focused on four priorities: the High Productivity Investment Act, the statute of repose bill, the impact of the overvalued dollar on export activity and escalating health care costs.

While the Public Policy Committee met in Washington, the debate over the stimulus bill was underway in the Senate. The bill was pulled from the Senate floor while we met. We had a long discussion about whether the bill had any future, and whether we should tell the Congress to move on, as the uncertainty was causing some customers to hesitate in their purchasing decisions.

We concluded we needed to continue to press our case. At that time, the Senate passed a 13-week extension of unemployment benefits and sent it to the House. We decided one of our "pitches" should be that the House should add back in some of the provisions on which both the Senate and House agreed. We knew that the Senate Democrats as well as the House and Senate Republicans had signed off on a 30 percent accelerated depreciation bonus and an increase to \$40,000 in the Section 179 direct expensing provision.

The House followed our strategy. It passed the unemployment benefits

bill with additional provisions. The bad news is that they went beyond the provisions that are acceptable to all. As I write, the unemployment benefits bill is now in conference and we should know the answer to the following question: Will anyone blink? Will the conference committee report out an unemployment benefits bill only? Will the Senate Democrats accept the portions of the House bill that mirror the provisions of Senator Daschle's bill? The unemployment rate is growing in South Dakota. Can Senator Daschle (D-SD) afford to let the unemployment benefits bill die in conference because he is unwilling to accept other provisions? The WMMA pitch has been "let's get the unemployment benefits plus depreciation bonus and direct expensing increase out of the conference."

Along the way, WMMA committee members met with key Senators such as Gordon Smith (R-OR) directly and got a commitment to pursue the High Productivity Investment Act independent of the stimulus debate. We have written several times about this legislation to modernize the depreciation schedules of the tax code. Under H.R. 2485, effective for new assets placed in service on or after January 1, 2002, the MACRS depreciation system would be replaced by a new, productivity-based cost recovery system that provides first-year expensing for all high-tech machinery and equipment that is defined as "High Productivity Property;" allows businesses to deduct the cost of most of their traditional machinery and equipment (that is not expensed) within 10 years, 5 years or 3 years. For example, as a general rule, present 20-year MACRS property

would become 15-year HPI property, present 15-year MACRS property would become 10-year HPI property, present 10-year and 7-year MACRS property would become 5-year HPI property; and present 5-year MACRS property would become 3-year HPI property. Most traditional woodworking machinery is currently depreciated over 5 years. Currently there is no Senate companion bill, and we targeted Senators to urge them to introduce a companion bill in the Senate. WMMA members also made in-roads with the staff of Senator Tom Daschle, Senate Majority Leader, providing them with insights as to the value of this legislation to his state, not as a hypothetical, but in terms of real jobs.

For those who attended our public policy session: Congratulations. Two years in a row, WMMA has been on the "cutting edge" of policy debates and literally the first folks on the Hill advocating a legislative strategy. Last year the ergonomic standards issue was breaking and we advocated the use of the Congressional Review Act (CRA) to repeal the ergonomics rule. At the time, most congressional staffers had never heard of the CRA until WMMA members walked through the door. This year, we brought fresh insights to the table on the continuing need for an economic stimulus for American manufacturers.

We always welcome other participants in our Washington activity. If you have an interest in getting more involved, contact WMMA. If you have some doubts, contact Public Policy Chairman Chuck Brink for some insights as to the value of participation.

Export Development



Wooden Furniture Import Trends, 2001

Harold Zassenhaus, WMMA Export Director

For the past 1-2 years, members have become increasingly interested in the shift of furniture production offshore, especially to China. We have been reporting on woodworking equipment trade trends with China and changes in the China marketplace for a number of years. We began reporting on the changes in China's furniture shipments to the U.S. over two years ago. As this is an important topic, we will continue to periodically weigh in on the issue providing members with current information and insight.

Members can view a summary of wooden furniture imports for 2001, by type as well as by country, by typing in http://www.wmma.org/members/mpdf/2001_impexp.zip and entering the username and password or go to www.WMMA.org, click on Members Area, enter in the username and password, click on Export Development then click on year 2001 Wood Furniture imports for the export bulletin tables. For definitions of product categories, contact Harold Zassenhaus.

Wooden furniture imports remained flat in 2001 at \$9.4 billion. Still, imports from China increased to \$2.4 billion, up from \$2.1 billion in 2000. China and Canada were virtually tied as the leading supplier to the U.S. (Canada shipped about \$15 million more). But while Canada's shipments to the U.S. decreased by 3%, China's shipments increased by 14%. By the now there is little doubt that China is our leading supplier.

However, China is not the only country from which we are increasingly seeking product. Other countries whose shipments increased in 2001 included: Indonesia, up 1% to \$472 million, Thailand, up 1%, to \$260 million, Brazil, up 36% to \$144 million; Romania up 21%; Hong Kong up 16% to \$65 million; Slovenia up 9% to \$45 million; and Colombia, up 53% to \$20 million.

Other 2001 trends of interest include:

- The ten largest suppliers control about 89% of the import market. This percentage has not markedly changed over the past 3 years (steadily rising from 88% in 1999).
- Together, China and Canada now account for 52% of the import market.
- If you assume that most imports from Hong Kong originate in China, you could make the argument that China is our largest supplier.
- Imports of bedroom furniture increased by 9%
- Imports of upholstered furniture increased by 11%
- Imports of kitchen cabinets and kitchen furniture increased by 9%
- Imports of office furniture decreased by 18%

Members interested in a further breakdown of the statistics by total, by country or region should contact Harold Zassenhaus, tel. 301 652 0693, fax 301 986 1389, email zemg@erols.com.

Export Development

U.S. Import and Export Trade Statistics

Harold Zassenhaus, WMMA Export Director

As an insert to this issue we are reporting U.S. import and export figures for calendar year 2001. Statistics are reported for all woodworking equipment and its three component parts: machines, cutting tools and accessories and parts. The following is a summary of major trends.

(WMMA members: to view detailed tables on imports and exports of machinery, cutting tools and parts and accessories, click on the "members only" section, select "Export Development" under "WMMA Activities" and click on 3rd quarter import and export statistics. You will need your user name and password. Don't have one or forgot it, contact WMMA Headquarters at 215-564-3484 or email wmma@fernley.com). Harold Zassenhaus is available to provide U.S. export and import data on specific product categories. For more information, contact him at (301) 652 0693; fax (301) 986 1389 or e-mail: zemg@erols.com)

Exports

Exports of all woodworking equipment (machines, cutting tools plus parts and accessories) fell by 5.5%, largely as a result of 4th quarter shipments. Within the group, exports of machinery were down 1%, year on year, cutting tools dropped 10% while parts and accessories dropped by 9% from 2000 levels.

The following chart highlights the value and percentage changes in exports to the industry's major trading regions of the world.

U.S. Exports, Woodworking Equipment Calendar Year 2001

	\$ Millions	% Share	% Change
	2001	2001	01/00
Canada	109.2	39.7	(15.8)
Western Europe	55.2	20.1	(4.6)
East Asia-9	30.3	11.0	7.6
Mexico	24.4	8.9	(13.8)
South/Central America	21.4	7.8	(7.9)
Eastern Europe	5.1	1.8	(18.9)

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Export Development

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NAFTA

For 2001, Canada and Mexico accounted for 49% of U.S. exports, down from 52% in 2000. Exports of machinery to both Canada and Mexico dropped considerably last year. Shipments of cutting tools also declined to both countries by about 10% and part and accessories slowed by 11% to Canada and by over 38% to Mexico.

Western Europe

Sales dipped slightly in 2001. Dragging down the total were shipments to the UK and Benelux a portion of which was made up by increased exports to Germany, France and Italy.

East Asia-9

Exports to the region (China, Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand) continued to rebound. Exports China, Taiwan and Malaysia all leaped up, China by almost \$5 million, making it our 6th largest customer.

Shipments to Japan rose by almost \$8 million.

Central/South America (excluding Mexico):

Exports cooled to the region in 2001 as troubles in the major markets (Brazil, Chile and Argentina) disrupted sales. Together, the three countries account for about 50% of sales to the region. Markets that grew in 2001 included Columbia, The Dominican Republic and Costa Rica.

Eastern Europe

Poland continues to account for over ? of sales to the region. Large drops in exports to Hungary and the Czech Republic caused shipments to the region to fall.

Imports

We imported \$1.13 billion of woodworking equipment in 2001. For the first time in years Imports dropped, declining 15% to a pre 1999 level. Imported machinery accounted for 60% of the total or \$678 million while cutting tools made up 26% (\$297 million), and parts and accessories the remaining 14% (\$154 million).

U.S. Imports, Woodworking Equipment Calendar Year 2001

	\$ Millions 2001	% Share 2001	% Change 01/00
East Asia-9	476.6	42.2	(13.6)
Western Europe	434.2	38.5	(9.2)
Canada	75.5	6.7	(29.3)
Mexico	9.6	0.9	(33.3)
Eastern Europe	6.3	0.6	(1.5)
South/Central America	3.7	0.3	14.5

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Export Development

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East Asia

The region supplied 42% of all U.S. imports, slowing by slightly less than the total average. Taiwan supplied 30% of all equipment a fall from the 33% supplied in 2001. China was one of the few countries that increased shipments to the U.S.. Its shipments grew by an incredible 42% to \$110 million and it now is our 4th largest supplier for all equipment. It is now our 2nd largest foreign supplier of cutting tools, 4th largest supplier of machines and 8th largest supplier of parts and accessories

Western Europe

Imports from the region continue to decline, but at a lower rate than the total average. Imports from Germany and Italy, our 2nd and 3rd largest suppliers, continued to drop in dollar terms.

Canada

The country lost market share in 2001. Although an important supplier, it ranks behind China. Shipments of machinery, cutting tools and parts and accessories recorded declines from 2000.

Eastern Europe

Imports from Eastern Europe, which had been increasing rapidly, leveled off in 2001. Imports from The Czech Republic, Slovenia and Slovakia declined while imports from Poland increased.

WMMA Mission Statement

The WMMA shall represent and support domestic manufacturers of equipment and tools used in the processing of wood and wood products from the forest to finished products.

What your WMMA Dues Dollars Buys

Industry Tradeshow Discounts

Worldwide Publicity

Monthly Newsletter

Educational Opportunities

Industry Advisor Program

Industry Safety Standards

Industry Statistics

Economic and Benchmarking Data

Regulatory Alerts

Legislative Calls to Action

Internet Links

Leads for New Business

Access to Overseas Distributors

Export Trade Certificate

Networking with Industry Peers

Manufacturer/Distributor Conferences

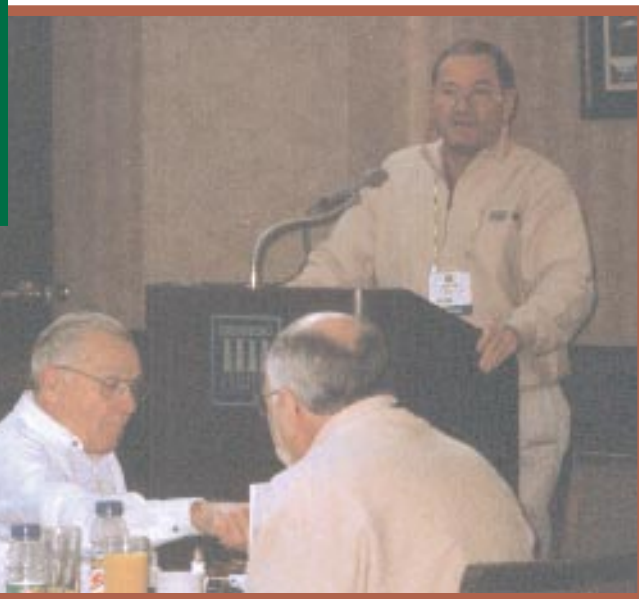
Member News

WMMA MEMBER AND PROSPECTIVE MEMBER BREAKFAST

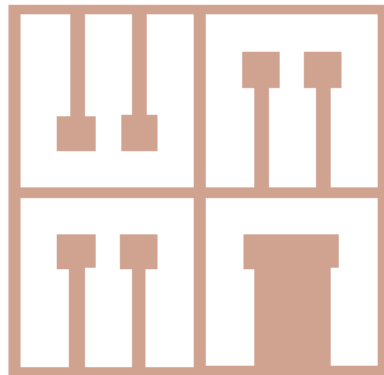
On Friday, February 15, 2002, over 100 members and prospective members of the Wood Machinery Manufacturers Association gathered for breakfast at the Carlyle Club in the Greensboro Coliseum as part of the events surrounding the Carolinas Industrial Woodworking Expo. Invitations to the breakfast were extended to all current members, and any prospective members whom WMMA deems strong candidates for membership in 2002.



Peter Perez, Chair of the Membership Committee, extended a warm welcome to all in attendance, and pulled a random winner of a \$2,000 stipend to be used at WIC for travel, hotel, registration, and other related expenses. The winner was Bob Rozman of Diehl Machines.



Ken Hutton also greeted the crowd, and provided an overview of WMMA benefits and highlights of the upcoming 2002 WIC.



Member News

WMMA CHANGES MEMBER NEWS FORMAT FOR CUTTING EDGE

In order to keep the information presented in the Member News section of The Cutting Edge brief and timely, WMMA has made a few changes in how it will promote this information in the future. No longer will WMMA accept generic company press releases. Instead, you must fill out the form posted on the WMMA website and return it to WMMA. Content will be edited for length, no more than 50 words, please. Also, personnel changes in your company will only be reported if they concern Executive Level management of your company.

WMMA realizes the importance and value of passing along Member News via The Cutting Edge. However, we also must respect the time constraints that all our members are facing today. We strive to bring you the most current industry information in the quickest way possible.



James L. Taylor Manufacturing Company is proud to announce their new Optimization Division.

James L. Taylor will now have (3) groups:

Taylor Gluing Machines

JLT Clamps

Cameron Automation

For further information on Taylor's new Optimization Division or any of their extensive product line, contact: James L. Taylor Manufacturing Company, 108 Parker Avenue, Poughkeepsie, New York 12601, (845) 452-3780 * FAX (845) 452-0764. E-Mail: info@jamestaylor.com or reach them on their Website at: www.jamestaylor.com

NEW

Baillie Lumber Company

P.O.Box 6
4002 Legion Drive
Hamburg, NY 14075
(716) 649-2850
Fax: (716) 649-3310
www.baillie.com
info@baillie.com

Key Contact: Bill McCauley

Custom Service Hardware Inc.

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Fax: (262) 375-7970
www.cshardware.com
jason@cshardware.com

Key Contact: Jason Nault

Keith Mfg. Co.

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P.O.Box 1
Madras, OR 97741
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Fax: (541) 475-2169
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sales@keithwalkingfloor.com

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Schutte-Buffalo Hammer Mill Co.

P.O.Box 546
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www.hammermills.com
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Key Contact: Thomas E. Warne

Thomson Industries, Inc.

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chris@thomsonmail.com

Key Contact: Chris Stabile

M
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NEW MEMBERS

Cabinet Vision, Inc.

3800 Palisades Drive
Tuscaloosa, AL 35405
(800) 753-8009
Fax: (205) 556-7898
www.cabinetvision.com
sales@cabinetvision.com

Key Contacts:

Roger Taylor, President, CEO
Richard Chappell, VP Marketing

Cabinet Vision, Inc. provides computer software for the woodworking industry. As the established leader and innovator of technology for the woodworking industry, they provide the unparalleled service our customers deserve and the fresh ideas our industry demands.



Columbus Industries, Inc.

2938 St. Rt. 752
Ashville, OH 43103
(740) 983-2552
Fax: (740) 983-4622
www.colind.net
godanl@colind.net

Key Contacts:

T. Wayne Vickers, President,
Distribution Products Division
Linda Godan, Sales & Marketing
Coordinator

Columbus Industries, Inc. manufactures various air filters for use in intake and exhaust systems of paint spray booths. The CI line of filters are performance engineered and stocked locally for convenience. Besides the standard line of filter media and sizes, CI offers "prescription" media and sizes made to fit the needs of the customer to insure performance and cost savings.

Sanding Systems Consulting, Inc.

12607 74th Avenue North
Maple Grove, MN 55369
(763) 424-9264
Fax: (763) 391-9474

Key Contact:

Howard Grivna, President

Sanding Systems Consulting, Inc. provides consulting on wide belt sanders and through feed orbitals systems. They provide a capability to evaluate entire sanding systems.



SawStop, LLC

22409 S.W. Newland Road
Wilsonville, OR 97070
(503) 638-6201
Fax: (503) 638-8601
www.sawstop.com

Key Contacts:

David A. Fanning, President
Stephen F. Gass, President

SawStop, LLC provides research and development and manufacturing of saws and saw safety systems. Their key product line is table saws. SawStop, LLC business mission is to innovate and provide safety systems for machinery.



Triple Crown Products, Inc

814 Ela Avenue
Waterford, WI 53185
(262) 534-7878
Fax: (262) 534-7879
www.tpcaps.com
info@tpcaps.com

Key Contacts:

Dennis Quernemaer, President
Brian Quernemaer, VP, Sales
Manager

TCP is a full-service caps, uniform and ad specialty company. We specialize in personalizing products by direct embroidery, embroidered emblems and screen printing. TCP's key product lines are Cutler & Buck, Carhatt, Munsingwear, Nissun & Broder Bros.

We are a family owned business and since the work is done in-house, we offer superior quality and prompt service. We pride ourselves in quality service and 100% customer satisfaction.

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