

Click [here](#) for Registration.
Deadline
September 23.



2024 FALL MEETING

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

FUTURE MEETING DATES

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

**2025 Spring Meeting
May 6-8, 2025**

JW Marriott Savannah Plant
Riverside District Hotel
Savannah, GA

2025 Fall Meeting

More Information to come!

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 at uscti@uscti.com and they can be invited to the fall meeting as our guest.

USCTI Welcomes New Members

12600 Clarence Center Road
Akron, NY 14001
Phone: 800-424-0048
nsm-ny.com

220 W. Los Angeles Avenue Simi Valley, CA 93065
Phone: 800-383-2244 URL: sct-usa.com

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PAST PRESIDENT**
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USCTI President's Message

As we approach the last quarter of 2024, the cutting tool markets are encountering various challenges. The upcoming election year, uncertain economic conditions, global conflicts, inflation, and interest rates are likely to impede growth and raise concerns for planning in 2025. Labor issues and significant increases in healthcare, insurance coverages, and business costs further complicate navigating the remainder of 2024 and early 2025. While several cutting tool markets seemed to be steadily growing nine months ago, they have now slowed down, requiring careful monitoring as we approach the new year.

USCTI concluded a successful World Cutting Tool Conference in Osaka, Japan from May 21-24 and is now actively preparing for its Fall Institute meeting, which will be held from October 22-24 at the Hyatt Regency Sonoma Wine Country Hotel in Santa Rosa, California. For this Fall meeting, there will be a change in format to a mid-week meeting, which will be tested for its functionality and benefits moving forward. Additionally, USCTI held its first HR Day at Allied Machine and Engineering in Dover, OH on June 19th, bringing HR professionals and leaders together to exchange ideas and explore collaborative opportunities. USCTI/AMT joint 2024 Eggs & Data will be held during IMTS at McCormick Place, Chicago, IL on Thursday, September 12th. Plans are set to have an online webinar presentation by Richard Aboulafia on August 22nd at 11:00 a.m. EST. Registration has been previously sent. It has been suggested by membership that Richard continue providing information to our organization even in the off years of his visiting with us in person. USCTI continues to actively seek to expand its membership and create additional value propositions for its meetings and networking activities.

We look forward to seeing you in Santa Rosa in October!

Best wishes for the summer.

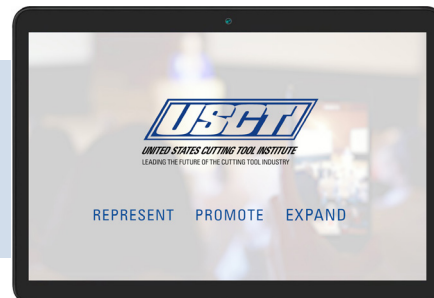
Steve Boyer, USCTI President
Alvord-Polk, Inc.



Steve Boyer

“
USCTI CONTINUES
TO ACTIVELY SEEK
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AND NETWORKING
ACTIVITIES.
”

Please take a moment to watch our 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.



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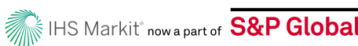
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Statistics Program Update

There have been quite a few enhancements to the USCTI Statistics Program in recent years. The program remains robust and continues to be a valuable part of Institute membership. The **monthly** Current Business Report, for example, now includes a book-to-bill ratio as well as surface coating data. Other reports included in the program are:

- NAM Current Economic Indicator Report (Weekly)
- USCTI Cutting Tool Current Market Report (Monthly)*
- USCTI Product Division Monthly Reports (Monthly)*
- Raw Material Data Report (Quarterly)*
- IHS Markit/S&P Global Cutting Tool Forecast & Data (Quarterly)*
- USCTI Key Operating Ratio Survey (Annual)*
- USCTI Employee Benefits Survey (Annual)*
- NEW – World Cutting Tool Conference Data Report (Annual)*
- IMTS Eggs & Data AMT/USCTI Cutting Tool Breakfast (Biennial)

*USCTI Statistics Report Participants Only



The USCTI Office has sent out information on the 2024 Aerospace Update online seminar to be conducted by Richard Aboulafia of AeroDynamic Advisory. It is complimentary to all members and scheduled for **Thursday, August 22, 2024**, at 11:00AM Eastern. Please register if you plan to take advantage of this member benefit by clicking [here](#).

The next USCTI/AMT joint Eggs & Data Cutting Tool Breakfast will be held during IMTS in Chicago, Illinois on **Thursday, September 12, 2024**, from 7:30AM – 9:30AM Central (McCormick Place – West Building – Room W470). This is a co-sponsored event with the Association for Manufacturing Technology and will include domestic and international cutting tool forecast data.

Enhancing participation in the statistics program is a key Institute focus as it provides access to key data to assist member companies. If you have feedback on the statistics program or would like to start taking advantage of this valuable membership benefit, please contact the USCTI office to obtain access to the secure online reporting portal.

Sincerely,
 Mark Stockinger, Statistics Committee Chair
 KYOCERA SGS Precision Tools, Inc.

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.

HR Committee Update

On June 18th and 19th HR representatives from member companies gathered at Allied Machine and Engineering Corp for the first HR Day. The gathering commenced on the 18th with dinner at The Union Country Club where participants were able to network in a casual environment. This was a perfect environment to meet our first planned speaker, Jeff Kortez, Human Asset Management, LLC, who spoke about Employee Retention and Recruitment. Jeff graciously provided a copy of his book Give Your Employees C.R.A.P and 7 Other Secrets To Employee Retention to all participants. Mark Zronek from Baker Hostetler presented legal/regulatory updates to the attendees. Having so many HR partners in attendance led to roundtable and panel discussions on many relevant and topical HR issues, including recruiting post Covid, multi-generation work environment challenges, succession planning, and benefits offered by member companies; just to name a few. If you have an HR representative who would like to participate on the HR Committee to assist with the USCTI scholarship and other relevant USCTI led HR programs please contact USCTI office at uscti@uscti.com.

Sincerely,
 Kellie Zajac, HR Committee Chair
 ATA Tools, Inc.



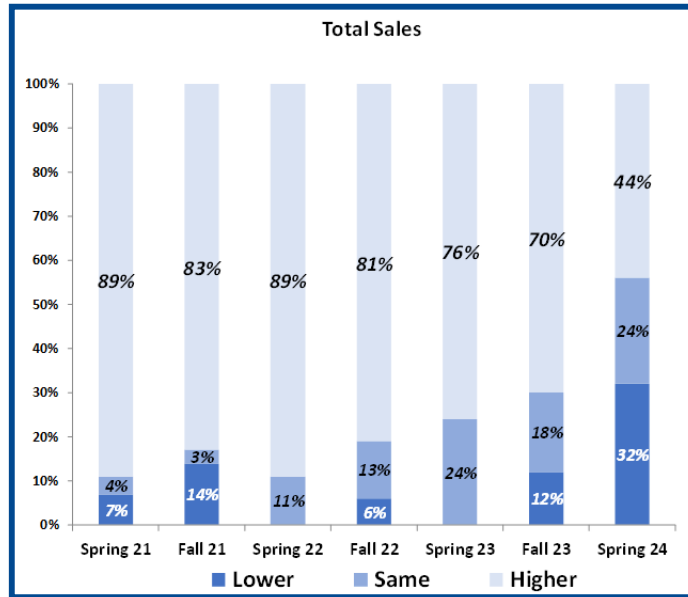
2024 Spring Business Outlook Survey

We had 32 member companies respond to the Spring Business Outlook Survey. Highlights included:

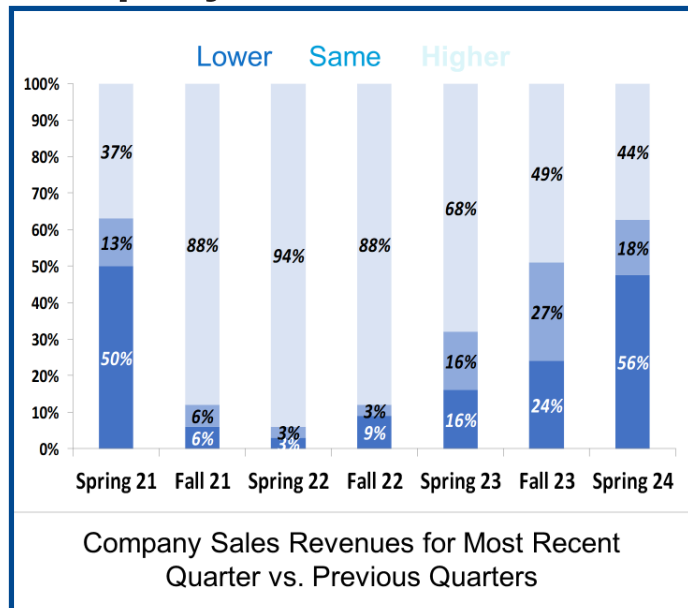
- Respondents noted a drop in higher sales revenue at 44% within the cutting tool industry's 12 month forecast from 70% in fall 2023.
- Higher sales revenue forecast dropped slightly from fall to 53% (from 58%).
- Companies reported over the past three months (Q1 2024), raw materials lead times were 12% lower compared to 33% in the fall.
- During the past six months, companies reported employment levels dropped in the spring to 21% (from 30% in fall 2023).

Please take the time to fill out the Fall 2024 Business Outlook Survey, which will be distributed soon. We will share those results at the USCTI Fall Institute meeting in Santa Rosa, California (October 22-24, 2024).

Industry Forecast



Company Forecast



Message from the Programs Committee

I hope your summer is going well. As I write this, our country is going through what I dare say is one of the most bizarre times of my lifetime. Now, more than ever, is a time where we need to stay connected as an industry. Many of you were not able to join us for the World Conference in May that was held in Osaka, Japan. I want to encourage everyone to attend the fall meeting in Santa Rosa, California from October 22-24. The close timing of this conference and our November election provides us with a tremendous opportunity to network and talk through the issues we will be facing over the next several years.

If you missed our meeting in Osaka, you missed the opportunity to explore a wonderful city in Japan. JTA put on a wonderful conference and allowed all cultures to interact in a professional setting. One of the major accomplishments of this conference was a commitment from USCTI, JTA, and ECTA to cooperate and share statistics in a way that should allow all of us to better understand the world market for cutting tools. USCTI will be hosting the next world conference in the spring of 2027, but there is a renewed commitment to connect with the other two organizations consistently rather than just every three years.

As I mentioned earlier, our fall meeting will be held at the Hyatt Regency Sonoma Wine Country Hotel in Santa Rosa, California. As many of you are aware, we are changing to a Tuesday to Thursday format in the fall. That said, our dates will be October 22-24. We believe our speakers are very relevant to the times we are working through. We will start with Ron Galloway who is a Researcher, Public Speaker, Director and Author - The Role of AI in the Manufacturing Sector. Our second speaker will be Scott Hazelton who is the Managing Director of IHS Markit/S&P Global Market Intelligence and he will give us an Economic Overview and cutting tool forecast. Our final speaker will be Todd Buchholtz who is an American Economist, Former White House Senior Economic Advisor and his topic will be "How to Compete in a Global Economy"?

Don't miss this opportunity to join your fellow USCTI members in wine country!!!

Sincerely,
 Mike Stockey, Programs Committee Chair
 Allied Machine & Engineering Corp.



USCTI Regional HR Day 2024
 Dover, OH



2024 HR Day Peer Panel Discussion Dover, OH
 Kathryn Johnson, Allied Machine & Engineering Corp., Andrew Epstein, Star Cutter Co.,
 Kendra Swansburg, Harvey Performance Co.



2024 WCTC
 Osaka, Japan

Legal Update

Protecting Your Company's Trade Secrets

By Joseph P. Boeckman, BakerHostetler

Your company most likely owns intellectual property that has significant economic value – value that is derived from your company's ability to keep that information secret from your competitors. Commercial or business information that is more valuable to the owner if it remains confidential is called a "trade secret." There are several basic steps that your company can use to protect its trade secrets.

What is a Trade Secret?

Trade secrets include, but are not limited to, any of the following:

- Names, addresses, or telephone numbers of customers, suppliers, vendors, or employees
- Business plans, sales/marketing methods and pricing models
- Financial information (historical results, projections and budgets)
- Scientific or technical information and research and development plans
- Designs, processes, procedures, formulas, patterns, compilations, programs, devices, methods, techniques, or improvements that have not been patented or copyrighted

In general, in order to be protected as a trade secret, information (1) must derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (2) must be the subject of efforts that are reasonable under the circumstances to maintain its secrecy. A list, formula, program or other information that is readily ascertainable by others, for example through a Google search, will not be protected as a trade secret.

While certain types of intellectual property, such as trademarks and patents, are protected under federal statutes, trade secret protection comes from state law. While most states have adopted the Uniform Trade Secrets Act, some states have not. Therefore, when implementing procedures and policies to protect your company's trade secrets, it is important to consult legal counsel to determine the applicable local law.

Trade secret protection may offer advantages over patent or trademark protection. For example, patent and trademark protection last only for a statutorily limited time period, and patent law protection involves the disclosure of an invention and encourages increasing the amount

of information available in the public domain. In comparison, trade secret protection can extend indefinitely and involves no public disclosure. A great example of this protection is the "Coke formula." Coca-Cola has never obtained a patent for its famous formula, preferring instead to diligently protect the formula as a trade secret. The disadvantage of maintaining information as a trade secret is that when the information loses its confidential status, it also loses its economic value. Trade secret rights can be quickly lost due to sloppy business practices. Companies should closely scrutinize the policies and procedures they have in place to protect their trade secrets.

Contractual Protection of Trade Secrets

Each time a company loses an employee, there is an opportunity for confidential information to be disclosed – sometimes intentionally, sometimes by mistake. Employers can use contracts to prevent employees from disclosing trade secrets.

In the context of an employment relationship, a written agreement can serve several purposes. The agreement can be used to define the scope of what type of information constitutes a trade secret. It can be used to put employees on notice that the employer owns the trade secrets. It can be used to expressly cover not only written documents and data, but information stored in the "employee's memory."

Making contracts part of ordinary business practice has additional advantages. In a worst-case scenario situation – litigation over an alleged trade secret violation—an employer can show that entering into employer/employee agreements is part of the company's ordinary business practice, and that all company employees are on notice of restrictions on disclosing confidential information.

Companies can use the following agreements to protect their trade secrets:

Nondisclosure Agreements for All Employees. Companies should require all employees that may have access to trade secrets to sign nondisclosure agreements before access becomes available. Nondisclosure agreements prohibit employees from divulging, selling, or duplicating trade secrets. Nondisclosure agreements

continued on page 7

continued from page 6

BEFORE IMPLEMENTING A PROTECTION PROGRAM, COMPANY MANAGEMENT SHOULD PERFORM AN ANALYSIS OF THE GOALS OF THE PROGRAM AND THE PROCESS FOR ACHIEVING THOSE GOALS.

also warn employees about the consequences that would result from doing so.

Depending on company needs and resources, nondisclosure agreements can range from formal agreements to simple notices. For example, a nondisclosure agreement may plainly state: "Neither during the term of employment nor any time [for ___ years] thereafter shall employee use or disclose the Confidential Information."

However, even in this simple nondisclosure agreement, key terms like "Confidential Information" should be defined. Providing an explanation of what "Confidential Information" includes will not only provide a company with additional protection, but it will help employees better understand what information they are prohibited from disclosing. Furthermore, as company trade secrets become more technical or sensitive, nondisclosure agreements should become more detailed.

"Work for Hire" Acknowledgements for Engineers and Programmers. Companies should use "Work for Hire" acknowledgments to specify that the company is the owner of any patentable inventions made by employees. "Work for Hire" acknowledgments arise most frequently when dealing with engineers and programmers. Because patentability is often difficult to determine, "Work for Hire" acknowledgments should include language covering "all inventions, concepts, discoveries, ideas, techniques, methods or materials related, whether patentable or not."

Courts have held that a trade secret does not necessarily have to be reduced to a tangible form to be protected. Memorized information can be the basis for a trade secret violation. Consider the following example: an employee memorizes a company process for building a tool while at work. He or she then goes home and builds that tool with his or her own equipment. The tool belongs to the company, despite the fact the employee built the tool at his or her home. However, it is a good idea for employers to make explicit in "Work for Hire" acknowledgments that ideas, processes, and concepts belong to the company.

Protecting Trade Secrets by Implementing an Internal Protection Program

A company can also protect confidential information by implementing a trade secrets protection program. Formal policies can be used to help prevent information from leaking outside of company walls and into the hands of the competitor. A program will also place employees on notice that the release of confidential information is prohibited and the consequences for not adhering to such program, such as termination of employment.

Before implementing a protection program, company management should perform an analysis of the goals of the program and the process for achieving those goals. While some companies have the means to implement a full-scale program, others may only be able to implement a small-scale program. While not intended to be comprehensive, the following provides a list of the elements for a successful trade secret protection program:

- Implement procedures to separate trade secret information from non-trade secret information;
- Prevent discussion of confidential information in nonsecure places;
- Prohibit faxing or emailing trade secret information;
- Label trade secret documents "confidential";
- Use employee orientation materials and manuals to stress the importance of protecting trade secrets;
- Provide continuous employee education about the status of trade secrets;
- Perform exit interviews with departing employees;
- Assign employee numbers for copying or scanning; and
- Implement safeguards to prevent non-employee access to the company's computer system.

In conclusion, when trade secrets are a valuable asset of your company, make sure you consider and implement the necessary agreements, procedures and programs to protect their confidentiality.

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.

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