



bulletin

CONVEYOR EQUIPMENT MANUFACTURERS ASSOCIATION

6724 Lone Oak Boulevard • Naples, Florida 34109

Summer 2005

OFFICERS

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James Lamb
Drives, Inc.

Vice President

Thomas Easterhouse
Lubriquip, Inc.

Secretary

Fred Thimmel
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Term expires 2006

Fred Bachert
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Daniel Fannin
Emerson Power Transmission
R. Todd Swinderman
Martin Engineering

Term expires 2007

Dan Gualtieri
Martin Sprocket & Gear

Don Hudak
Precision Pulley & Idler
Bill Pugh
Ralphs-Pugh Company

Term expires 2008

Ron Doll
Falk Corporation
George Huber III
Industrial Kinetics, Inc.
Mike Niserbaum
U.S. Tsubaki, Inc.

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Executive Secretary

Philip Hannigan

Meeting Coordinator

Kimberly MacLaren

Legal Counsel

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JAMES F. LAMB RE-ELECTED PRESIDENT OF CONVEYOR EQUIPMENT MANUFACTURERS ASSOCIATION



James F. Lamb, vice president, marketing and sales, Drives, Inc., Fulton, Illinois was reelected president of the Conveyor Equipment Manufacturers

Association (CEMA) at the organization's recent 72nd Annual Meeting in Scottsdale, Arizona.

Mr. Lamb becomes only the second president of CEMA in more than 35 years to be re-elected as head of the North American industry trade group founded in 1933. CEMA currently has 92 member companies.

Other officers elected at the Association's Annual Meeting:

Vice President - Thomas Easterhouse, OPCO sales manager, Lubriquip, Inc., Madison, Wisconsin.

Secretary - Fred Thimmel, president, Bryant Products, Inc., Ixonia, Wisconsin.

Treasurer – Gary A. Herder, chairman, president & CEO, Prab, Inc., Kalamazoo, Michigan.

Elected to the Board of Directors were:

Ron Doll, marketing manager, Falk Corporation, Milwaukee, Wisconsin.

George Huber, III, vice president, Industrial Kinetics, Inc., Westmont, Illinois.

Mike Nisenbaum, chief financial officer, U.S. Tsubaki Inc., Wheeling, Illinois.

Carryover members are:

Fred Bachert, general product manager - bearings, Rockwell Automation-Power Systems, Greenville, South Carolina.

Daniel Fannin, vice president, marketing, Emerson Power Transmission, Maysville, Kentucky.

R. Todd Swinderman, CEO, Martin Engineering, Neponset, Illinois.

Dan Gualtieri, vice president division manager, Martin Sprocket & Gear, Inc., Arlington, Texas.

Don Hudak, vice president, sales and marketing, Precision Pulley & Idler, Pella, Iowa.

Bill Pugh, president, Ralphs-Pugh Company, Benicia, California.

Bill Casey, vice president, production and assembly systems, SI Systems/Paragon Technologies Inc., Easton, Pennsylvania.

CEMA MEETING SCHEDULE

September 22-23, 2005 Fall Meeting, O'Hare Hilton Hotel, Chicago, Illinois.

March 17-21, 2006 Annual Meeting, Marco Island Marriott, Marco Island, Florida

CEMA Annual Meeting Report



Afternoon view of the Golf Course and mountains beyond at the Westin Kierland Resort

The CEMA Annual Meeting was another success story for CEMA. The location was excellent at the Westin Kierland Resort and Spa in Scottsdale, Arizona. The resort is less than two years old but seems to have been there forever. It is also one of the best historical museums in Arizona with numerous pictures and artifacts from the early days of the Arizona territory. The weather for the first few days was cold and wet but, by Monday, it had returned to the expected warm and sunny desert weather of which the local Chamber of Commerce is so proud.

The committee and section meetings were very productive again and provided all of the industry sections an opportunity to move ahead with the important business of the association.

Economic forecast updates were provided by editors from several industry trade magazines including D C Velocity, Material Handling Management, and Modern Materials Handling. They all confirmed the upturn in business that has been occurring over the past year and they projected gains ahead.

The Vice President of the National Association of Manufacturers provided an overview of the business changes in the national and international arenas. He also provided an overview of key programs and legislative initiatives that they are conducting to promote understanding of the key role of U.S. manufacturers in the national prosperity, and to protect and support the U.S. manufacturing base.

The keynote speaker this year was Dr. Barry Asmus, the Senior Economist of the National Center for Policy Analysis. In his address, he described national and world conditions which indicate to him that the next business expansion could be the largest in U.S. History. A full synopsis of his presentation is in a separate article "The Best Is Yet To Come" on page 9.

The Sections and Committees conducted their meetings and set the tasks and objectives that will guide the activities of the association for the next year.

All in all it was a very productive meeting for the association and also provided all who attended ample opportunities to network, renew old acquaintances, and begin new friendships.

See related story on the new schedule for CEMA Annual Meetings – page 4.



A Piper serenades the arrival of evening at the Westin Kierland Resort.



Mike Nisenbaum (U.S.Tsubaki Inc. congratulates "El Supremo" Bill Casey (Paragon Technologies) on winning the coveted sombrero at the Annual Meeting



Albert Einswine prepares for his big race while Warren Chandler (Stephens-Adamson) and his wife, Mary, consider placing a bet on him.



Mark Osborn (KWS Manufacturing) and his guest, Ava Land, have their caricatures drawn by local artist at the CEMA Annual Meeting.

Seen at the CEMA Annual Meeting



Karen Hudak, Barbara Casey, and Robin Lee prepare for the festivities at the Get Acquainted Reception and Dinner.



Kim and Mike Mitchell (Stober Drives, Inc.) join John and Sharon D'Amico (Jorgensen Conveyors, Inc.), Ron and Kathie Doll (Falk Corporation) on the way to the Annual Reception.



Dave and Mary Vogel (Drives, Inc.), Bill and Debbie Pugh (Ralphs-Pugh Company), and Warren and Mary Chandler (Stephens-Adamson), socialize after the Banquet at the Annual Meeting.



Fred Thimmel (Bryant Products, Inc.) awards Dan Gualtieri (Martin Sprocket & Gear) the Attila the Hun Award (See Insert) for Excellence in Golf Course Desecration.



(r) Janice and Tom Barry (Sandvik Sorting Systems, LLC) welcome Darrell Dal Pozzo, associate publisher, Modern Materials Handling to the meeting.



Piglet Downs Racing Stadium at the CEMA Annual Meeting awaits the main event.



CEMA President, Jim Lamb (Drives, Inc.), Merle Davis (Automotion, Inc.), and Dan Gualtieri (Martin Sprocket & Gear) are all fired up for the races.



Left background, Ron and Kathy Doll (Falk Corporation) and the Fannins, Eric, Kathy, and Dan (Emerson Power Transmission) prepare to bet on the next race.



Pre-race jitters consume the crowd as they assess one of the pig racer's chances of winning.



George Rizza (NORD Gear Corporation) accept his winning tickets for one race while an expectant crowd waits to bet on the next race.



Ava Land, second from left, completes her record setting watermelon seed spit while other contestants (l-r) Jan Gualtieri, Sharon D'Amico, and Karen Thimmel await the results.

And A Good Time Was Had By All

Editor's Apology - A lot of our pictures were taken outside and at night. Poor illumination made many of them unprintable. Sorry to those whose pictures we were unable to use.

NEW SCHEDULE FOR CEMA ANNUAL MEETINGS BEGINS IN 2006

The CEMA Annual Meeting format for many years has had people arriving for a Board Meeting on Saturday, some activities on Sunday, Meetings on Monday and Tuesday with a Board Meeting on Wednesday morning.

Many since the majority of members arrive on Saturday or Sunday, many hotels have to forego Friday evening bookings to accommodate our members who arrive later on in the weekend. Many hotels will not accommodate this schedule and CEMA has been deprived of the opportunity to meet at many desirable locations.

Additionally, for the members, it eats up a large part of the work week.

The CEMA Board has accepted the Meetings Committee proposal for a new pattern beginning in 2006. The new pattern will be Friday through Tuesday with the scenario as follows:

Friday - Arrival, Board Meeting, Evening Welcome Event

Saturday - Morning Committee Meetings followed by General Business Session. After Lunch - panel sessions in topics of concern to members. Evening - Social Event

Sunday - Open except for Golf and Tennis Tournaments and 5 K Run/Walk.

Monday - Morning - Section Meetings. Evening - Annual Banquet.

Tuesday - Morning Departure and Board Meeting.

NEW CEMA SECTION/COMMITTEE OFFICERS ELECTED FOR 2005-2006

New officers were elected by the CEMA product sections and committees at the 72nd Annual Meeting in Scottsdale, Arizona, this spring. The new officers are:

Conveyor Chain Section

Chair - Steve Rhoad, Webster Industries, Inc.;
Vice Chair and Secretary - Neil McLean, Can-Am Chains.

General Bulk Handling Section

Chair - Bob Domnick, Superior Industries.
Vice Chair and Secretary - Dan Gualtieri, Martin Sprocket & Gear

Screw Conveyor Section

Chair - Chuck Reynolds, Martin Sprocket & Gear, Inc.
Vice Chair and Secretary - Jim Calhoun, FMC Technologies.

Unit Handling Section

Chair - Fred Thimmel, Bryant Products, Inc.
Vice Chair and Secretary - Tom Easterhouse, Lubriquip, Inc.

Government Affairs Committee

Chair - Frederick Thimmel, Bryant Products, Inc.

Insurance Committee

Chair - Vacant

Meetings Committee

Chair - Gregg Goodner, Hytrol Conveyor Co. Inc.

Marketing Committee

Chair - John D'Amico, Jorgensen Conveyors, Inc.
Vice Chair and Secretary - Thomas Easterhouse, Lubriquip, Inc.

Membership Committee

Chair - Mike Nisenbaum, U. S. Tsubaki Inc.
Vice Chair and Secretary - Bill Demmel, Martin Sprocket & Gear.

Safety Steering Committee

Chair - John M. Raab, Siemens Logistics and Assembly Sys. Inc.

CEMA Engineering Conference Report

The 78th CEMA Engineering Conference met from June 26 through June 29, 2005 at the LaPlaya Beach Hotel in Naples, Florida. It was a great meeting with 43 companies represented, 56 direct participants, and a total of 85 overall attendees. Considering that June turned out to be a record rain month for Naples, the weather cooperated fairly well and the occasional seasonal rainfall did not significantly interfere with the visitors' enjoyment of southwest Florida.



The Conference Officers this year were Chair: Gary Giuliano, (Intelligrated, Inc.); 1st Vice Chair: George Mott (ASGCO Manufacturing, Inc.); 2nd Vice Chair: Boyce Bonham (Hytrol Conveyor Co., Inc.). They organized an outstanding program. The seminar this year was another success. It covered "Protection of Intellectual Property" which included Patents, Copyrights, Trade Secrets, Trademarks, and Trade Dress. Attorneys, Edwin R. Acheson, Jr. and David Schmit, of the law firm Frost Brown Todd, LLC gave outstanding presentations and were very well received and appreciated by the attendees. Many thanks to Gary Giuliano for arranging their visit. PEs in attendance will receive a certificate of training and documentation to support three hours of continuing education credit for their individual certifications.



One bonus presentation was a slide show of Iraq and Kuwait areas and U.S. military operations by Kevin Bayliss of FKI Logistex, who, as a Major in the Army National Guard, recently completed a year of duty in that theater as a helicopter test pilot. All appreciated his presentation and insights, and a motion was passed to extend appreciation to him for his service.



U.S. ANG Maj. Kevin Bayliss discusses his experiences in Iraq

Some of the highlights of the committees:

The Bulk Section's kickoff meeting discussed new initiatives for the section. Some of the ideas they discussed included development of a Bulk Belt Material Handling Safety Video, expanded information on Steep Angle Conveyors as well as a new chapter covering feeding equipment, reclaiming operations, and ship loading.



There was a discussion of possibly expanding CEMA into more areas of the material handling industry. The consensus was that CEMA's original purpose, and current focus, is still valid. CEMA should continue to offer a technical, informational, and social home, for those manufacturing and technical companies who wish to focus on

the technologies of, and promote, the conveyor segment of the material handling industry.

The Belt Book Committee worked on identifying errata in the first printing of the sixth edition of the Belt Book in advance of the second printing. They discussed issues associated with interpretation of the new power formulas and ways of improving their presentation. They also began work on ideas for expanded content in the seventh edition.

The Conveyor Accessories Committee worked on common safety labels for their equipment. The committee has decided to design product specific safety labels for the accessories that we manufacture. The labels will conform to the same ANSI Standards as existing CEMA safety labels. The 5 labels identified to work on first are as follows: Conveyor Belt Cleaners, Access Doors, Belt Support Systems, Skirting Systems, and Belt Training Idlers.



New Member, Kolberg-Pioneer, Inc. was well represented by Jodi Heirigs and her husband, Bruce (I), as well as Jay Kaddatz and his wife, Denise(r).

The Idler Committee is attempting to develop a more comprehensive K_f factor for Idlers. They are also working on expanding the discussion of correct shell material for idlers to prevent corrosion and wear due to operating conditions. They also developed a working definition of engineered class idlers "*Idlers outside of CEMA's load and/or dimensional requirements, or with special specifications regarding T.I.R., sound level (Dba) rating, roll drag etc. will be considered to be an Engineered Class Idler*". Comments on the proposed definition are welcome. Contact CEMA HQ and we will pass on your ideas.

The Pulley Committee continued its work on revising and improving ANSI/CEMA Standard B105.1 "Specifications for Welded Steel Conveyor Pulleys with Compression Type Hubs".

The Screw Conveyor Committee started development of a spiral conveyor standard based on the current trough dimensions in ANSI/CEMA Standards 300 and 350. They will also be developing general design "rules of thumb" instead of specific design guidelines for application of variable frequency drives. For this they are soliciting technical support from VFD suppliers. There was discussion of possibly developing CEMA standards for Bucket Elevators and believe that this project could expand the participation in the Screw Conveyor Section. The idea will be presented to the section Official Representatives at the Fall Meeting.



Dan and Eric Fannin (Emerson Power Transmission) lead the way at lunch. Following clockwise, Ed Pawlicki (Drives, Inc), Rick Archer (Arch Environmental Equipment, Inc.), Mike Konruff (Falk Corporation), Ed Turner (Martin Sprocket & Gear), Jim Rogers (WAM Inc., and Joe Canfield (Van Gorp Corporation).

The Unit Handling Committee started work on a unit handling conveyor application manual which will help users understand the uses of differing conveyors available to meet their needs and which will help guide them through the planning process for application planning, design, installation and maintenance of these machines. They also developed a consensus on the look and content of an updated Unit Handling Safety Video. They plan to have the script ready by the CEMA Fall Meeting. They will need manufacturer help in getting video shots to go along with the script.

All in all the entire conference was an intellectually stimulating opportunity for the many attendees to meet and appreciate the talents of their fellow industry engineers, while working as a community to solve the problems and meet the needs of the conveying portion of the material handling industry.

Some First Time Attendees at the Engineering Conference



Eric Bostrom (Automotion, Inc.)



Bill Mecke (KWS Manufacturing, Co., Ltd.)



Jim Rogers (WAM, Inc.)



Randy Skanse (HK Systems)



Adrian Soghigian (Rockwell Automation Power Sytems)



T.J. Taylor (Drives, Inc.)

ENGINEERING CONFERENCE OFFICERS CHOSEN FOR 2006

The members who attended the 78th CEMA Engineering Conference, June 26-29, 2005, elected new officers for the 79th CEMA Engineering Conference in 2006. The new officers are:

Chair: George Mott, ASGCO Manufacturing, Inc.

First Vice Chair: (Unit Handling Section) Boyce Bonham, Hytrol Conveyor Co. Inc.

Second Vice Chair (Bulk Handling Section) Avanash (Andy) Bhalerao, Bechtel Corporation.

The Conference Committees also elected, or continued in office, the following people:

Conveyor Controls Committee:

Chair - Doug Oliphant, Kasa Industrial Controls.

Conveyor Chain Committee:

Chair - Manickam Manickam, US Tsubaki, Inc.

Vice Chair - Ed Pawlicki, Drives, Inc.

Conveyor Safety Committee:

Chair - Phil Kaffenberger, HK Systems

Vice Chair - Bruce Whitman, Siemens Logistics and Assembly Sys. Inc.

Conveyor Terms and Definitions Committee:

Chair - Phil Hannigan, CEMA.

Bulk Handling Section:

Chair - Avanash (Andy) Bhalerao, Bechtel Corporation.

Belt Conveyor Systems and Manual Committee:

Chair - R. Todd Swinderman, Martin Engineering

Idler Committee:

Chair - Corrie Godee, Stephens-Adamson

Vice Chair - Todd Kirkpatrick, Continental Conveyor & Equipment Co.

Pulley Committee:

Chair - Tim Wolf, Precision Pulley & Idler.

Vice Chair - David Ackels, Van Gorp Corporation

Screw Conveyor Committee:

Chair - Trevin Berger, Martin Sprocket & Gear.

Vice-Chair - Mark Wilkerson, Thomas Conveyor.

Unit Handling Committee:

Chair - Boyce Bonham, Hytrol Conveyor Co., Inc.

CEMA's Logic in Support of English Language Labels on OEM Equipment Destined for the U.S. Marketplace

The CEMA Safety Labels were designed as Manufacturers' Warnings to the Purchasers/Users of their equipment. The Standard CEMA Safety Label has three components: **The Alert** (Danger, Warning or Caution), **The Pictogram** (a non-verbal depiction of the conduct to be avoided), and **The Message** (words to enhance the message depicted by the Alert and Pictogram). All CEMA Messages are in English, and for a good reason.



The Alert and The Pictogram are deemed by ANSI to be sufficient to alert a purchaser and user that some hazard exists near the equipment. It is the User's Responsibility to explain and expand on the hazards that are depicted by the Safety Label, as well as other problems which may be encountered while operating the equipment, by virtue of its installation, but which might not be labeled.

A perceived safety problem arises when the workers do not speak English and cannot readily read "The Message." Some manufacturers have spoken to CEMA about putting The Message in Spanish also for U.S. markets where Hispanic speakers might constitute the majority work force. That may appear wise on the face of it but this does not really help the Manufacturer. What if the only "Chinese" (insert language) reader in an otherwise Hispanic reading plant gets hurt because he or she could read neither the English nor Spanish. The manufacturer will then be in the position of not having anticipated this problem and not having added a "Chinese" (other language) Message. Even more to the point, there are several spoken languages which have no written component - the Muong of Cambodia, who also have emigrated here and who work on conveyors somewhere in the U.S., did not have a written language until very recently. Other workers cannot read their native language, whether it is English or Spanish, or whatever.

The Meeting in Progress sign to the right reinforces the point. It was observed at the hotel that hosted the CEMA Engineering Conference in 2005. In this case, the employer expanded an english language message sign to address the different language backgrounds of the employees they have, or have had, at the hotel. This hotel has a mixed work force that probably reflects, to some extent, the varied work forces encountered in many conveying operations in the United States.

It is not the responsibility of the manufacturer to guess what might be the composition of the workforce in any particular user location. The label is a business message to the Purchaser/ User, who plans to include this equipment in his or her operation, that a hazard exists.

For that reason, CEMA policy is that all labels are provided in the common business language of the United States, English. It is up to the User to identify the language(s) of the local work force and determine how to inform those workers of the hazards depicted by The Alert and Pictogram. This should be part of the Local Safety Training Program which will include indoctrination into other problems and into safe practices. If the users determine that they should supplement The Message and The Alert in "English" with a Message and Alert in the language, or languages, of the local workforce, they can make that requirement a part of the contract with the manufacturer, or have those labels printed locally and placed on their equipment.

Meeting in Progress

"Quiet Please"

"La calma, Por favor"

"Pace petit, petit"

"Calme, s'il vous plait"

"Ruhe Bitte"

"A tranqüilidade, por favor"

"Tišina, prosim"

"安静, 满意"

"Ro, Behager"

"Tranquillo, per favore"

"Arafu, Blesio"

"和やか, 良い"

"Милуху, Пожалуйста"

"Tichý, Být příjemný"

"Descanso, Por favor"

"Csendes, Legyen szíves"

Belt Book Sixth Edition Published

In late April, CEMA began shipping the sixth edition of its flagship publication “Belt Conveyors for Bulk Materials”, commonly referred to as “The Belt Book.” The publication culminated a three year, quarter million dollar, effort to update the book to reflect the latest engineering technologies for belt conveyor design and installation.

Since the first edition was published in 1966, the Belt Book has been updated from time to time to keep it relevant to the needs of the industry. Where the first edition consisted of 331 pages, the sixth edition has 599 pages.

The sixth edition contains 600 new or revised figures, and was totally re-written and re-organized. It includes two new chapters. Chapter 15 deals with Takeups, and Chapter 16 deals with emerging technologies. Additionally, the ever controversial power calculations have been reworked and three options are now provided as follows:

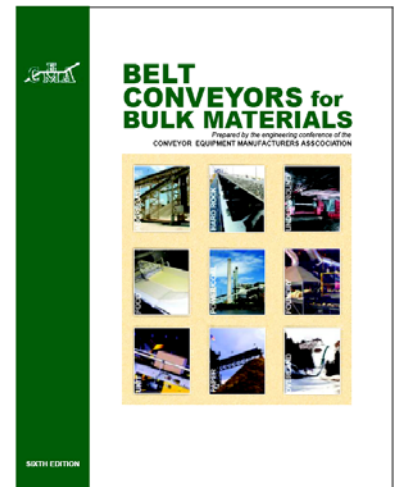
Belt Tension Calculations for Basic Conveyors (DIN Method)

Belt Tension Calculations for Standard Conveyors (CEMA Historical Method)

Belt Tension Calculations for Universal Conveyors to cover any conveyor configuration or length with an accuracy of 110% ±10%)

Hardbound copies are available for purchase through CEMA Headquarters. Please visit our web site: www.cemanet.org and click the order form.

A chapter by chapter comparison is provided below for those who have the Fifth Edition and are considering updating to the Sixth Edition.



Fifth and Sixth Edition Chapter and Page Comparisons

Chapter	Fifth Edition - 1997		Sixth Edition - 2005	
	Chapters and Subjects	Pages	Chapters and Subjects	Pages
1	Belt Conveyor General Applications and Economics	18	Belt Conveyor General Applications and Economics	15
2	Design Considerations	9	Design Considerations	27
3	Characteristics and Conveyability of Bulk Materials	15	Characteristics and Conveyability of Bulk Materials	7
4	Capacities, Belt Widths, and Speeds	9	Capacities, Belt Widths, and Speeds	11
5	Belt Conveyor Idlers	29	Belt Conveyor Idlers	25
6	Tension, Power, and Drive Engineering	111	Belt Tension and Power Engineering	93
7	Belt Selection	27	Belt Selection	25
8	Pulleys and Shafts	15	Pulleys and Shafts	21
9	Vertical Curves	17	Curves	17
10	A Guide to Steep Angle Conveying	19	Steep Angle Conveying	45
11	Belt Takeups, Cleaners, and Accessories	21	Belt Cleaners and Accessories	35
12	Conveyor Loading and Discharge	41	Transfer Points	75
13	Conveyor Motor Drives and Controls	35	Conveyor Motor Drives and Controls	47
14	Operation, Maintenance, and Safety	8	Operation, Maintenance, and Safety	11
15			Belt Takeups	11
16			Emerging Technologies	25
Appendix				
A	Guide for use of SI (Metric) Units	11	SI (Metric Units)	4
B	Nomenclature	5	Nomenclature (By Chapter)	13
C	Belt Tension to Rotate Pulleys	2	CEMA Standard Historical Method K _x and K _y Factors	9
D	Conveyor Installation Standards	12	Conveyor Installation Standards	13
E			Belt Conveyor Idler Roll A _i ' Test Procedure	6
F			Belt Conveyor Idler Roll K _{ic} ' Test Procedure	6

The Best is Yet To Come



Meetings Committee Chair, Gregg Goodner (l), and CEMA President, Jim Lamb (r) welcome Dr. Barry Asmus to the CEMA Annual Meeting.

Dr. Barry Asmus, the Senior Economist with the National Center for Policy Analysis, spoke on the topic "The Best is Yet to Come" at the CEMA Annual Meeting.

His belief is that the U.S. economy is in for one of the biggest expansions in its history. He cited five trends to support his thesis.

The U.S. Condition:

- Demographics – 60 million people 40-55 years of age are coming into the biggest spending and consumption period in their lives. That will drive the need for goods and services up.
- Inflation – should be fairly low. The Federal Reserve has finally learned how to control the money supply.
- Digital Economy – Digital Deflation (Faster, better, smaller, cheaper)

counteracts any pressure for rising prices. This helps keep inflation low and to support low interest rates.

- Productivity – While productivity was up from 1990-1995 1.5% per year, it was up 3% per year from 1996 through the present. Technology has given us things faster, better and cheaper. Examples include, Global Postal System at no cost (E-Mail), Global Buy-Sell System at no cost (E-Commerce), and Global University at no cost (Internet). "Computers free us from information processing like bull dozers freed us from dirt processing."
- Taxes – will remain low. Low marginal tax rates are here to stay. The Flat Tax is coming. "Incentives matter. When you penalize an activity, activity declines."

To maintain this optimistic scenario he sees the need to fix four problems:

- Tort Reform
- Energy Policy
- Social Security Reform
- Health Care Reform

We can pay for this. We often portray ourselves as constrained by the National Debt. The U.S. produces 1/3 of the world's wealth. The national debt is 38% of GDP. Most First World nations have debt in the 50-80% of GDP range. From a historical perspective, the U.S. conducted World War II with a debt ratio of 180% of GDP. So, from this perspective, we can indeed afford the short term debt that can help us cure the Social Security and Health Care bubbles.

U.S. Entrepreneurs thrive, and will thrive, when they deliver solutions as well as value added goods and services. U.S. Manufacturers are competitive worldwide due to the lean and mean profiles forced on them by the recent recession and global competition. Just-in-time inventory and Total Quality Management are the key elements of moving from an "Ingredients" business to a "Solutions" business.

The International Condition:

The International Trends are Freedom, Democracy, and Capitalism. In the 20th Century the commanding heights went to government and the top down command and control model. In the 21st Century, the commanding heights will belong to Economic Freedom, Free Trade, Low Tariffs. Freedom and capitalism come through private ownership of property. Eighty percent of entrepreneurial startups come from a second mortgage. To get a second mortgage, you need a first mortgage. To get a first mortgage, you need the ability to obtain title to property. This model is being better understood throughout the world and will dominate the political, economic, and social development of the rest of this century.

The international economy is being driven by the mantra of "Mutual Gains through Voluntary Exchange". The keys to maintaining this model are Stabilized Currencies, Lower Tariffs, and Deregulation.

Bottom line, the future is bright.

CEMA MEMBER COMPANY NEWS

Membership

As of June 30, CEMA's membership stands at 92, with 84 Manufacturing Members and 8 Technical Members.

New Members

Kolberg-Pioneer, Inc., of Yankton, South Dakota, joined CEMA on January 27, 2005. They Design, Manufacture, and Install Bulk Conveyor Systems and Equipment as well as Accessories. Their Official Representative is **Greg Stach**, Engineering Manager, and their Alternate Representative is **Tim Bohn**, Technical Publications Manager.

Company News

Loeffler Engineering Group has been selected by Koch Transporttechnik and Decker International to act as their representatives in a Gulf Coast territory. LEG will represent Koch for the entire Gulf Coast from Texas to Florida and will represent Decker in TX, LA and OK.

Koch designs and manufactures the Pipe Conveyor and has over 180 installations making them a world leader for this type conveying system. In addition Koch manufactures shiploaders, bucket wheel stacker reclaimers, bridge reclaimers (wheel & scraper), portal reclaimers, circular stacker reclaimers, blending systems etc.

Decker specializes in systems design for gypsum, ash, steel, cement, woodchips, coal etc.

They also have a line of specialized machinery for silo & tunnel reclaim including rotary plow feeders.

You can link to their websites and the websites of our other principals at our web page www.loefflerengineering.com (Just updated with new photos).

Mergers and Acquisitions

LICO, Inc., the parent of **Automatic Systems Inc.** has announced the acquisition of **OCS IntelliTrak, Inc.** based in Cincinnati, Ohio. OCS IntelliTrak manufactures power and free conveyor systems utilizing a unique spinning tube drive design. The spinning tube design provides for clean and quiet operation as opposed to conventional power and free chain conveyors.

TGS Engineering and Conveying Systems, of Houston, Texas, was acquired by Kinder Morgan Energy Partners, LP in April, 2005. The company remains in CEMA under the new name **Kinder Morgan Engineering and Conveying** and will continue to focus its efforts on developing and running dry bulk terminals throughout the country where it currently handles about 10 million tons of petroleum coke (petcoke) annually.

Promotions and Appointments

On June 1, **Industrial Kinetics, Inc.** announced the appointment of **George Huber III** as Vice President of Operations.

Automatic Systems, Inc. (ASI) has hired **Robert A. Pierson** as Manager of Industrial Sales. In that capacity he will oversee ASI's sales and product development for Tier I automotive suppliers, agricultural equipment manufacturers, paint finishing customers and other non-automotive customers. He will also develop sales for ASI's newly acquired company **IntelliTrak**. (See related story)

Prior to joining ASI, Mr. Pierson spent 27 years at the Jervis B. Webb Co. Before coming to Webb, he was with Richards Wilcox for 10 years.

EDITORS NOTE

We will be happy to print member company news if you remember to include CEMA Headquarters in your press release distribution list.