Ripple Effecttm The Voice of Plumbing Manufacturers International

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Using Your Voice to Create Your PMI

By Nate Kogler, President, PMI Board of Directors, Bradley Corporation



Nate Kogler

As members of PMI, we all have certain expectations about what we want – and need – out of our membership. Maybe you joined to contribute your expertise on innovative water efficiency solutions, get in-depth training on codes and standards, or learn the latest on crucial issues, such as recycled water and the skilled worker shortage. Or, maybe you want to keep up with the ever-changing

legislative landscape. Whatever the reason, we want to know about your priorities, the challenges you face every day, and how PMI can help.

That's why member engagement is a vital part of PMI's work, and why we recently checked in with a survey to assess your needs. Over the past several months, PMI reached out to you with an online survey and several one-on-one phone interviews. Thanks to those who took the time to respond. I understand from PMI's survey consultants that our 8% response rate is very good, especially compared with other associations.

You provided valuable information on everything from how satisfied you are with your membership, to your professional development needs, to your satisfaction with PMI's communications, advocacy efforts and training courses. Your feedback will be essential to developing PMI's new marketing plan to address your current and future needs and boost the value PMI delivers to you.

I also would like to thank the members of PMI's Communications/Outreach Committee for their excellent support and efforts, including their help in developing many of the survey questions and coordinating with PMI staff to decide the best way to deliver the survey.

While PMI is planning to release the full results in August, I want to share just a few of the preliminary findings. Often,

these surveys confirm what we suspect keeps members up at night. This survey did validate some of the issues we've been hearing about – in committee calls, at conferences and from your calls with PMI staff.

When asked about your top professional challenges, 61% listed the "burden of changing regulations" as your top issue, followed by "globalization and managing an international operation," and "recruiting qualified employees." No big surprises there, however, the more detailed supporting feedback you provided will help PMI tweak or add training and other programs and support materials.

We also learned the top four reasons your organization maintains membership in PMI:

- 1. for updates on news and trends impacting the industry;
- 2. to support PMI's advocacy efforts;
- 3. to use PMI's tools and resources; and
- 4. to receive education specific to the industry.

PMI takes these findings very seriously and is looking forward to sharing more details with you next month.

While these surveys provide a great formal feedback mechanism, we look forward to your continued comments, ideas and shared enthusiasm for using your voice to create your PMI.

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Current title and employer: Codes and Standards Manager for Viega LLC.

My first job: Laborer for Reed and Son's Custom Homes (my grandfather's company).

Length of time in the plumbing manufacturing industry: Four years.

My proudest plumbing manufacturing career achievement: Learn-

ing the International Association of Classification Societies (IACS) rules for plumbing products and the required approval process for design assessment and installation of plumbing products for the global shipbuilding industry. IACS rules are very complex and are revised annually. The opportunity to learn a new industry and its regulatory process was very exciting and challenging.

I started a career in the plumbing manufacturing industry

because: I have enjoyed working as a plumbing installer, plumbing inspector, plumbing plans examiner and plumbing code instructor. I also have served as president of the Indiana Association of Building Officials and served on the board of directors for the Greater Indianapolis Plumbing Heating and Cooling Contractors Association. All of those roles and responsibilities have taught me so much that working in the plumbing manufacturing industry felt like the opportunity to complete my "Jedi" training, so to speak.

I was very familiar with Viega because of its introduction of press technology for pipe joining. I had inspected this technology first-hand in the city of Fishers, Ind., where I served as the director/ building commissioner of the Permitting and Inspections Department. A fellow Rotary Club member who worked as a district sales manager for Viega let me know of the opportunity at Viega for the codes and standards manager position. Four years later I have no regrets in taking that leap of faith to move into the plumbing manufacturing industry. I have learned so much in the last four years and I'm excited to see what the future holds.

Advice I'd give someone starting their career in the plumbing manufacturing industry: Involve

yourself in as many aspects of plumbing manufacturing as possible. Be outgoing, meet colleagues in the industry and try to learn from each one. Be passionate and diligent in your work. Never turn down an opportunity to increase your knowledge by taking on a new task or assignment – be the one who volunteers for it. Think outside of the box.

If I weren't in the plumbing manufacturing industry: I'd probably still be with the city of Fishers or another similar city or state authority.

What is your current role in PMI? What do you hope to accomplish

in this role? I currently serve on the Technical Committee and Advocacy/ Government Affairs Committee and several task groups. I hope to continue identifying opportunities and overcoming obstacles for PMI and Viega by participating in these committees/ task groups and providing feedback for development of water quality and efficiency policies throughout North America. PMI continues to be the advocate for safe plumbing and, as members, we have the responsibility to support PMI by participating in committees and working groups.

I'm currently reading: "In Business as In Life, You Don't Get What You Deserve, You Get What You Negotiate," by **Dr. Chester Karrass**.

My hidden professional talent:

Not sure it would qualify as a professional talent, but I love to dance. I spent four years in swing choir in high school



Mark Fasel, a nature lover and owl enthusiast, enjoyed interacting with a great horned owl recently

and have always had a passion for dancing and singing. I'm sure I look and sound better in my own mind than I do to others, however!

Best advice I ever received: Life is too short to sweat the small stuff.

My favorite movie: "Pride and Prejudice."

When I face a challenge at work (or in life): I try to look at the situation from many different viewpoints. Depending upon the challenge, I may consult family, friends and/or colleagues to seek another perspective. In the end, I will work to overcome any challenge the most efficient and effective way possible.

About my family: Married to the love of my life **Ruthie** for 21 years. She truly is my better half. Ruthie is a real estate agent for Cottingham Realty in central Indiana. We are blessed with two amazing children **Austin**, 29, and **Madeline**, 21. Austin will soon wed his fiancé **Tessa**, who we adore. He proposed and she accepted earlier this year. Madeline finished her junior year at

Continued on page 3

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What Does the Data Tell Us?

The graph

showed two

rapidly curv-

ing lines. The

upward curve

depicted the

growth of in-

formation. The

illustrated the

decline of com-

downward curve

By Kerry Stackpole, FASAE, CAE, PMI CEO/Executive Director



Kerry Stackpole

mon sense. The graph was intended as humor, but the reality behind it was not completely lost on me. As the French philosopher **Voltaire** noted, "Common sense is not so common."

There are abundant data suggesting the manufacturing community is experiencing an economic slowdown. "Looking ahead, the current forecast is for manufacturing production (NAICS) to rise 1.2% in 2019, down from 2.7% in 2018," according to **Chad Moutray**, chief economist at the National Association of Manufacturers. "This would suggest some improvement in output data in the coming months, but at a pace that remains somewhat soft."

PMI's Market Outlook for second quarter 2019 suggests that while considering the probability for further near-term business cycle decline in U.S. industrial production, manufacturers should not lose their focus nor neglect preparations for the rising trend in the next business cycle we are forecasting to begin around 2020.

The Federal Reserve Bank reports overall manufacturing output increased 0.2% in May after decreasing about 0.4% per month, on average, in the first four months of the year. In May, durable goods production rose 0.3%, while the output of nondurable goods edged up 0.1%. Among durables, gains of more than 1% were posted by wood products; machinery; electrical equipment, appliances, and components; and motor vehicles and parts. These increases were partially offset by decreases in primary metals and in aerospace and miscellaneous transportation equipment. Among nondurables, the only gain greater than 1% was recorded by plastics and rubber products, and the only decline greater than 1% was recorded by apparel and leather products. The index for other manufacturing (publishing and logging) decreased 0.9% last month; it has fallen 6.5% during the past 12 months.

In the harsh light of the 25% tariffs on all products and components imported from China, it's easy to see a tougher slog ahead for many industries, including plumbing product manufacturing. I said as much during my appearance at the hearings on the China tariffs held by the United States Trade Representative last month. Simply put, toilets, faucets and other types of sanitary ware are not optional. There are more than 1.5 million people without complete plumbing in the U.S. Anything government does to limit plumbing product manufacturing or further restrict access to these products creates a risk to the health and safety of all Americans.

The National Association of Home Builders (NAHB) reports the Trump Administration's tariffs have already added about \$9,000 to the cost of a new home. NAHB research shows a \$1,000 increase in the selling price of a home disqualifies 127,000 families for a mortgage. That works out to more than 1 million potential homeowners standing on the sidelines. This isn't good for anyone, especially communities that rely on property taxes to fund infrastructure development and repair, public schools, first responders, and the essentials of government. It certainly isn't helpful to the livelihood of tradesmen, builders, plumbers, electricians, home product suppliers, and distributors - and certainly not American consumers.

In an era when the majority of adults under age 25 still live with their parents to save money, finding effective ways to move them into independent living is a natural goal. There's another side to this story as well. With the rise of multi-generational homes, more than one-third of adults in their 30s who live with their parents chose this living arrangement partly to care for family members or friends. In 2018, 64% of adults owned a home, 27% rented, and 9% had some other arrangement.

PMI shares the administration's concern about China's policies and practices that harm U.S. businesses. We also support holding U.S. trading partners accountable and using targeted trade remedies against intellectual property theft, illegal dumping or subsidies, and other proven trade violations consistent with international rules. We also strongly believe the newly proposed tariffs will only harm U.S. economic interests and, in particular, our workers, suppliers, distributors, retailers – and, ultimately, the American consumer and future homeowner. There has to be a better way.

Getting to Know Mark Fasel (contd.)

Continued from page 2

Indiana/Purdue University joint campus in downtown Indianapolis and is looking forward to her senior year. She is majoring in anthropology with the goal to become a museum curator.

In my spare time: Whether it's fishing in the Boundary Waters of northern Minnesota, hiking in the mountains of Colorado, or watching the waves roll in with my toes in the sand, you will find me there looking to interact with nature and seeing as much as I can of this amazing world we live in.

pm²l9 MANUFACTURING SUCCESS

PMI CONFERENCE • NOVEMBER 4–7 The DonCesar • St. Pete Beach, Florida

By Judy Wohlt, PMI Communications Team, Valek and Co.

Take advantage of early-bird registration from July 16–31 and score a discount for the PMI19 Conference. This year's conference, Nov. 4–7, will be hosted at the Don CeSar Hotel, also known as the legendary Pink Palace of St. Pete Beach, Fla., and provides plenty of opportunities to learn, see and do.

With the theme "Manufacturing Success," this year's conference offers something for everyone with sessions covering topics from sustainable packaging and consumer data protection, to the economy and the latest research in water efficiency. In addition, a regulatory roundtable discussion will focus on the challenges of lead in drinking water and a human resources panel will focus on workforce development.

The conference also will feature an engaging speaker line-up, including a session led by **Alex Chausovsky**, an economist and director of speaking services at ITR Economics. Alex has more than a decade of experience researching and analyzing economic factors, leading indicators and world events across subjects, including macroeconomics, industrial manufacturing, energy efficiency, and advanced technology trends.

Andrew Whelton, associate professor of civil engineering and environmental and ecological engineering at Purdue University, and Patrick Gurian, associate professor of civil, architectural, and environmental engineering at Drexel University, will provide an update on two current EPA-funded studies that are researching the impact of water conservation on public health. The first study, being coordinated with Drexel University, will cover "Water Conservation and Water Quality: Understanding the Impacts of New Technologies and New Operational Strategies" and the second, being conducted with Purdue, Michigan State and San Jose State universities, will discuss "Right Sizing Tomorrow's Water Systems for Efficiency, Sustainability, and Public Health."

Gary Klein, president of Gary Klein and Associates, Inc., will present a study funded by the California Energy Commission (CEC) that he conducted covering "Code Changes and Implications of Residential Low Flow Hot Water Fixtures." The CEC is in the process of issuing the final report for the study. As a member of the Technical Advisory Committee for the research project, PMI noted the following observations:

- Reducing flow rates without a corresponding reduction in pipe sizing does not save water in proportion to the change in flow rate.
- There are unintended consequences to public health that can come from reducing flow rates without a corresponding reduction in pipe size.

In addition, attendees will have many opportunities to network with other industry professionals during receptions, meals and special events.

The regular registration rate will apply starting August 1. To register early for the conference and take advantage of the early-bird discount, visit the PMI website starting on July 16 (safeplumbing.org/2019-pmiconference).



PMI, Members Testify on Negative Impact of Latest Tariffs

PMI CEO/Executive Director **Kerry Stackpole** and several PMI members testified in June before the Office of the United States Trade Representative (USTR) voicing concerns on the negative impact that the latest Section 301 tariffs are expected to have on U.S. plumbing manufacturers, the economy, and consumers.

The duties of up to 25% on \$300 billion worth of Chinese goods will impact dozens of plumbing-related products and components included on List 4 – the most recent list, including toilets, sinks, showerheads, faucet handles, and more. The list also includes vegetables, meat and cheese products, home appliances, bicycles, software, clothing, and tech items.

"These additional proposed tariffs will cause disproportionate harm to U.S. economic interests and, in particular, plumbing manufacturers, our workers, suppliers, distributors, retailers, and American consumers," Kerry stated in his testimony on June 17 (tinyurl.com/ y42cm683). "Our members estimate they will incur millions of dollars annually in added direct costs and expenses if the List 4 duties are implemented, not to mention the millions of dollars of lost sales resulting from increased prices on these products. These are real dollars that will no longer be reinvested back into their companies and workforce."

Kerry added that while PMI shares the administration's concern about China's policies and practices that have harmed U.S. businesses, PMI believes the proposed imposition of unilateral tariffs on Chinese imports will not address the underlying issues and will continue to invite Chinese retaliation.

In addition, several PMI members, including LIXIL, Spectrum Brands, Moen Incorporated and Water Pik, Inc., testified to voice their objections to the proposed duties. **Troy Benavidez**, vice

president of corporate affairs for American Standard, part of LIXIL Americas and a PMI member company, testified on June 17 and expressed his company's concern about how the tariffs may harm U.S. businesses and consumers. "If plumbing products become more expensive and U.S. consumers reduce their purchases of these products and the plumbing services needed to install and maintain them, good paying careers in the plumbing trade will continue to decline," he said.

Concern for the damage the tariffs will cause was evident by the number of objections raised during the first day of the USTR hearings. More than 300 witnesses were expected to testify over the seven days of hearings in June, with representatives from sectors, including semiconductors, energy, plumbing, software, home appliances, sports equipment, boat manufacturing, chemical firms, pet supplies, bicycles, and fireworks. In addition, more than 2,000 comments were submitted to the docket as of June 17. Post-hearing rebuttal comments on the fourth list of tariffs were due July 2.

In addition, PMI was one of 661 companies and associations that signed a coalition letter to President **Donald Trump** opposing the tariffs (<u>tinyurl.</u> <u>com/yxtjdywr</u>).

PMI members produce 90% of all plumbing products in the U.S. and, along with their retail and wholesale partners and suppliers, generate more than 271,000 good-paying jobs and over \$10 billion dollars in wages annually. Overall, the industry contributes \$85.5 billion dollars to the American economy – about four-tenths of 1% of America's gross domestic product, ac-



PMI CEO/Executive Director Kerry Stackpole with Troy Benavidez, vice president of corporate affairs for American Standard, part of LIXIL Americas

cording to a 2018 PMI economic study of the industry.

Several news outlets covered the USTR testimony from Kerry and Troy, including:

- This video from CGTN America (tinyurl.com/y23bgh7y)
- "Child safety is focus at opening hearing on new China tariffs" in CQ News (<u>tinyurl.com/y3ywoua5</u>)
- "U.S. businesses oppose tariff hikes, stress China's irreplaceable role in supply chain" by China News Service (<u>tinyurl.com/yymalnsx</u>)
- "The Finance 202: Trump administration gets earful on tariffs from New Balance to toilet maker" in the Washington Post (<u>tinyurl.com/</u><u>y33r9ldd</u>)

World Population Day Amplifies Need for Water Savings

by Judy Wohlt, PMI Communications Team, Valek and Co.

The United Nations (UN) estimates that the world's population will reach 8.5 billion by 2030. The growing population – along with climate change and drought issues – have already caused many cities and states to experience water shortages and water safety challenges.

The UN and other organizations predict that these issues will continue to escalate without further water efficiency planning and reduced water consumption. PMI and many of its member companies are doing their part to help, including advocating for safe and waterefficient plumbing products that meet high safety and performance standards.

World Population Day, which brings attention to issues surrounding the world's rising population, is a great reminder that everyone, from individuals to businesses to governments, can take steps to help preserve the earth's limited water resources.

As global demand for water increases, the UN reports that water-related challenges also are on the rise:

- 2.1 billion people lack access to safely managed drinking water services.
- 4.5 billion people lack safely managed sanitation services.
- Water scarcity affects four out of every 10 people.
- 90% of all natural disasters are water related.
- 80% of wastewater flows back into the ecosystem without being treated or reused.

PMI has been supporting many efforts to promote water efficiency and sustainability, including recent work and public statements (<u>tinyurl.com/y3uqjj35</u>) encouraging the federal government to preserve and continue funding the WaterSense program and restore America's aging underground water infrastructure. Regardless of water demands, water-efficient plumbing products help consumers and communities reduce the strain on aging water infrastructures.

In addition, expanding the use of waterefficient plumbing products can delay or even eliminate the need for creating new or larger municipal water systems and wastewatertreatment facilities, saving consumers and taxpayers millions of dollars, according to PMI. Research in 2017 by PMI and the Alliance for Water Efficiency (AWE) revealed that waterefficient toilets could potentially save up to 170 billion potable gallons of water per year across five states facing water scarcity, including Arizona, California, Colorado, Georgia and Texas (tinyurl. com/y3ktz3yf). This five-state savings can be extrapolated to an estimate of up

For more than 10 years, PMI and many of its members have been promoting WaterSense plumbing products, including toilets, showerheads and faucets that use 20% less water than standard products. The EPA estimates that if every U.S. household switched to WaterSense products, the country could save 3 trillion gallons of water and more than \$17 billion dollars annually. In addition, the EPA reported that replacing showerheads with WaterSense models can help each citizen save four gallons of water per shower, while replacing old, inefficient faucets and aerators with WaterSense fixtures can save 700 gallons of water per year. (See WaterSense article on page 7 for more information on the program's accomplishments.)

to 360 billion potable gallons of water

per year saved nationally.

To continue addressing water efficiency and safety issues, the UN has established a sustainable development goal to





ensure access to clean water and sanitation for all (<u>tinyurl.com/yd3hdfhl</u>). As part of that goal, the UN has created global targets to hit by 2030, including improving water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, and substantially increasing water-use efficiency to reduce the number of people suffering from water scarcity.

PMI, its members and others can acknowledge World Population Day by continuing efforts to help reduce water waste and promote the use of water-efficient plumbing fixtures and solutions.

World Population Day began in 1989 in response to significant public reaction to July 11, 1987 – the day the world's population hit 5 billion. The event focuses on issues related to world population growth, including promoting family planning, fighting poverty and world hunger, and maintaining sustainable agricultural, water consumption and energy production methods. To learn more, visit the UN's Population Fund website (unfpa.org/events/worldpopulation-day).

Kudos to Celeste Johnson – Committed to Committees!

Celeste Johnson won this month's PMI Pride gift card for her commitment to participating in PMI committees. Celeste is a global regulatory manager at Sloan Valve Company, a long-time member of PMI. She has offered helpful support and feedback on issues important to PMI, Sloan and the industry through her participation in several PMI committees, including Advocacy/Government Affairs, Outreach/Communications and Technical.

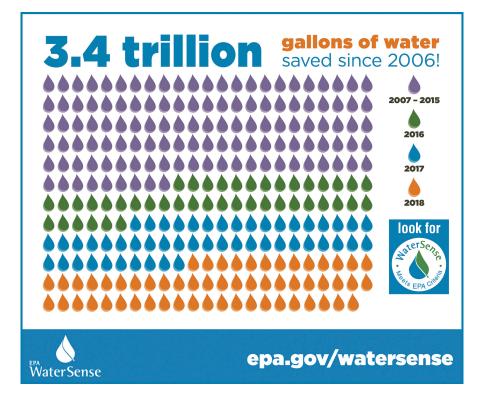
We plan to recognize more engaged PMI members in the future! Do one or more of the following to qualify for a drawing:

- Participate in a PMI committee conference call or educational offering
- Create your log-in to members-only content at safeplumbing.org
- Share or comment on a PMI social media message
- Join the LinkedIn PMI Group (<u>linkedin.com/groups/1812215</u>) or follow @SafePlumbing on Twitter (<u>twitter.com/safeplumbing</u>)
- Participate in any other kind of PMI activity

Your participation in these activities will automatically enter you into the drawing. Thanks for being an engaged PMI member.

WaterSense Program Highlights Big Wins in 2018 Report

In 2018, more than 2,000 WaterSense partners, including many PMI member companies, helped save 725 billion gallons of water by manufacturing and promoting WaterSense products, according to the recently released Environmental Protection Agency WaterSense Accomplishments 2018 report. In addition, total WaterSense labeled products available to consumers climbed from 27,630 in 2017 to 30,194 in 2018, with the majority being plumbing-related. Since 2006, the program has helped consumers and businesses save 3.4 trillion gallons of water – more than the amount used by all U.S. households for four months. Thanks to the efforts of WaterSense partners, including utilities, manufacturers, retailers, distributors, builders and others, Americans have saved \$84.2 billion in water and energy costs over the past 12 years.



Humans and Computers: Working Together to Build an Effective Workforce

By Genevieve Valek, PMI Communications Team, Valek and Co.

Across the United States, we continue to experience relatively low unemployment rates overall. Job growth is strong in many industries, including manufacturing. Because the gap between available and needed skills is a persistent issue that poses a threat to the manufacturing industry, manufacturers have



made it a priority to address the skills gap and find solutions to solve it. As a result, manufacturers have turned not only to people-based solutions, but to technology and software-based solutions as well.

Members of Plumbing Manufacturers International (PMI) understand that the strength of our industry lies within the hands and brains of the people on our production floors; we need critical thinkers and problem solvers more than ever before. But the world is much more fast-paced today, with aggregate human knowledge doubling every 13 months. Computerized solutions are required to keep pace.

Viega takes steps toward reaching efficiency and labor force goals

For example, PMI member Viega was featured in the Adobe Blog for the plumbing manufacturer's efforts to go paperless (<u>tinyurl.com/y5cyxnrl</u>). The article explains how Viega uses Adobe Acrobat Pro DC in its offices and manufacturing plants to order supplies, fill out government forms, produce sales collateral, and more. Viega employees on the go, including the company's sales reps, can use the Adobe suite of products to customize presentations for customers, keeping the production of digital documents efficient and accelerating work flow and business growth.

Read Blog Online

Read the rest of this article on our PMI@Work blog: <u>safeplumbing.org/</u> <u>communications/pmiblog</u>

PMI@Work explores efforts to develop the manufacturing workforce for the future, particularly among PMI members. If you'd like to submit a post or content for consideration, contact PMI communications team member **Ray Valek** at ray@valekco.com.



In addition, Viega has stepped up its training programs for two reasons – one, to help contractors find ways to be faster and more profitable in the field, and two, to grow the labor force of the future, according to a Viega blog article (tinyurl.com/yyvh6ujh). A reduction in high school shop classes and vocational training over the years means that kids aren't getting exposure to trade skills. The outreach that Viega training provides to students will help to feed the workforce and prevent labor shortages.

Viega's training includes design and software instruction, as well as plumbing and pipefitting skills training. Attendees can see products installed in logical applications and browse videos and functioning displays in the company's Interactive Learning Center.

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