

Join us for an evening of fun at PMI's 2003 Spring Meeting! (p.11)



NEWS

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The Newsletter for PMI Members — by PMI Members

March/April 2003

A Vision of Controlled Growth and Added Value

by: **Ralph Herrbach, PMI President**

PMI's membership growth — problem or opportunity; mandate or option? Those were the questions explored in the last issue of *PMI News*. Should we expand our membership base strategically or focus only on specific product groups and issues? More specifically, should we consider innovative pursuit of additional product groups or even consider expanding our categories of membership to provide a forum for groups further down the distribution chain?

Such strategic discussions and decisions are critical to the success of any organization, including PMI. Our future success depends upon remaining relevant. To do so requires that we first understand the needs of our constituents and then that we continually challenge ourselves to develop ways to meet them. By proactively pursuing this planning cycle, we are better able to chart the course we want to follow and thereby better able to ensure the future of PMI...and remain a positive force for our membership.



One thing is certain. "Manufacturers" is our middle name and this will remain at the core of our focus. Regardless of how we may elect to go forward with regard to expanded membership, we will not lose sight that all activities revolve around the industry manufacturers. Trying to be all things to all people can be the "kiss of death" to an organization. Focus is critical.

While it is important for allied groups with shared interests to work together when appropriate, it is equally important to keep in mind the group's *raison d'être*. Typically the reason various associations originate in the first place is to address the specific and unique needs of its constituents. Sometimes the sheer size of an organization can cause it to become irrelevant, as its power and resources are diluted. The decision to expand and grow must be a conscious one.

NAM (the National Association of Manufacturers) is a good example of an organization that is unparalleled in its effectiveness on broad-based initiatives, yet it cannot focus on the

narrow scope of the needs of the plumbing manufacturing community.

Similarly, PMI provides members with excellent coverage of codes and standards information, industry specific marketing reports and a variety of other benefits, but on its own does not have the political leverage to affect major change on the national political front. This observation brings me to my next point. PMI has the opportunity to become a credible forum for education, a platform that can be of benefit to individual members as well as the plumbing industry as a whole.

The need for industry-specific education and training surfaced when PMI members were polled for the "Renaissance Survey" in 1997 (the result of which was the formation of the "new" PMI). And again last summer when the PMI Board of Directors conducted its S.W.O.T. analysis identifying the organization's strengths, weaknesses, opportunities and threats, education emerged as



Ralph Herrbach

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Let's Hear It For Motherhood, Apple Pie and Trade Associations

by: Barbara C. Higgins, PMI Executive Director



Barb Higgins

I am patriotic. I am proud to be an American and while I love to experience other cultures and countries, (and have witnessed first hand the “ugly American” concept), I

would not change my citizenship for the world. I recently attended a marching band concert at which all of the “theme” songs for our various branches of the armed services were played as a medley. I was in tears. (Sappy but true.)

Then I had a thought. What must it be like not to have those feelings? To be embarrassed or ashamed of the U.S.? What a shame to feel a sickness in the pit of one's stomach when the flag goes by. To trust a foreign government more than your own? To consider our leaders a joke? What must it be like to be Alec Baldwin, Susan Sarandon or Jessica Lange. Not to feel a lump in the throat when the national anthem plays. In my book, that's a lot to miss out on.

I believe it is important to have heroes. I'm not talking about fanatically and blindly supporting someone or something. Adulthood and Watergate changed that forever.

I'm referring to the value of role models — people who embody positive, constructive, uplifting principles and ideals, and who raise the bar for us. It is energizing to be around positive people who believe in good old-fashioned values and hard work — people who are accountable for their own success (and failure), and who recognize the hard work and success of others. It is tiring to spend time with cynics. To me there is nothing worse than a constant barrage

of negativity and sarcasm. Actually, I'll take back that last comment. What's worse is being around a critic who is only that — someone who points out the flaws in an idea but offers no constructive debate, alternatives or solutions.

Reaction to adversity is also a source of inspiration. In the face of disaster, like the recent shuttle tragedy, do we point fingers? Give up? Or rally the troops and try harder? The reaction to adversity delineates success from failure. Challenges provide opportunities for tremendous growth.

We have seen in just over a year how, in this country, it often takes a traumatic event like September 11 to

“Patriotism is not a short and frenzied outburst of emotion but the tranquil and steady dedication of a lifetime.”
Adlai E. Stevenson, Jr.

draw people together. There is nothing like a crisis to help people put issues into proper perspective, to set aside differences and pull together. To some extent, many trade associations experience similar ebbs and flows of loyalty and membership levels, based upon current industry issues and “threats” — high membership in times of trouble, declining membership when all is well. Such varying levels can wreak havoc on the “business” of a trade association. Imagine running a business never knowing from one year to the next who your members (customers) are and what your cash flows will be!

PMI is unique in that our membership has fluctuated very little over the past few years. The fact that our membership has remained comparatively constant, is a vote of confidence that we are indeed on the right track. It is also a sign that the organization truly belongs to and reflects the interests of members. As you have seen over and over, our

business is on track and on (under!) budget. Our membership and finances are solid.

The “new” PMI is an outgrowth of the collective input from PMI members, the Board of Directors and staff. We continue on a path of continuous improvement. Collectively we have met and overcome a myriad of industry challenges (our Focus Five issues are very much under control), and we have established ourselves as a prominent part of our industry. With the addition of two new members this month (**Heyco Metals** and **Falcon Waterfree Technologies**), we'll benefit from their fresh new ideas and perspectives.

PMI has proven its value beyond simply putting out fires. PMI has successfully established itself as an essential ingredient in the business mix. No different than maintaining an

insurance policy, to our members, PMI is an important business requirement. Not being the type to rest on our laurels, the PMI staff continues to raise the bar and look for new ways to serve you. Come see us in action at the Spring Meeting!

And in closing, here's hoping that you'll stick up for your country as you would your family. It might not be perfect...but it IS yours!

A Note of Appreciation for PMI

The family of Thomas P. Konen deeply appreciates and gratefully acknowledges your kind expressions of sympathy. Thank you for the beautiful card and your kind words.

Sincerely,

Phyllis Konen and Family

PMI Reacts to ASSE Procedure Change

by: David Viola, PMI Technical Director



David Viola

On behalf of our membership, PMI recently submitted comments to the American Society of Sanitary Engineering (ASSE) in response to a proposed change to their product standards development procedures. PMI's reaction was prompted by concerns over possible violations of American National Standards Institute (ANSI) procedures that are detrimental to ASSE and the industry, cause widespread confusion within the code enforcement community, significantly increase costs to manufacturers, and severely inhibit efforts to improve existing ASSE standards.

The ASSE procedure change would require the withdrawal and replacement of existing ASSE standards when a significant change is made to the scope or the application of the standard. This section also requires that the revised standard be given a new standard number and that the old version of the standard be reaffirmed for five years without ANSI accreditation.

The withdrawal and replacement of standards are substantive changes that have a direct and material effect on the use of the standard. The outcomes of substantive changes are clearly required to be determined in accordance with the consensus criteria included in ANSI's Procedures for the Development and Coordination of American National Standards. This requires the careful consideration of views from all persons who are directly and materially affected by the issue, before determining a path of action. Mandating the automatic withdrawal and replacement of an existing standard without consideration of positions held by stakeholders is a violation of ANSI's due process requirements.

The reaffirmation and replacement of obsolete standards has the effect of publishing two separate standards that overlap or potentially conflict. It is inappropriate to prolong the life of a standard that is no longer useful or is

in need of replacement to address a problem or correct a flaw. This would seem to add to the confusion already created by the withdrawal and replacement of a standard.

We think the changes are harmful to ASSE and to the plumbing industry as a whole. After decades of promotion and education, ASSE standards are some of the most widely recognized and utilized standards in the construction industry. Implementing a policy that arbitrarily mandates their withdrawal and replacement jeopardizes the very recognition that ASSE and the industry have worked so hard to achieve. A steady stream of withdrawn, renumbered and replaced standards is sure to cause confusion within the code enforcement community. ASSE and the industry will again have to invest considerable time, energy and resources to re-educate the industry and update each and every code, regulation and law referencing replaced ASSE standards. Not to be forgotten is the significant cost that manufacturers will incur to re-designate markings on products, packaging and literature to keep up with such changes.

These problems will most certainly inhibit efforts to improve existing ASSE standards. Ongoing improvements are common and necessary steps to ensure that standards remain up to date and address important issues such as health and safety or new technology. This comes at a time when standards-writing bodies are striving to increase flexibility and efficiency in the development and maintenance of ANSI standards.

Determining the possible benefits of the ASSE measures is proving to be the most puzzling aspect of our evaluation, considering that the current ASSE procedures already allow for the withdrawal and replacement of existing standards that undergo scope and application changes. The important difference here is, the

current procedures provide ASSE with the flexibility to determine an appropriate course of action on a case-by-case basis after soliciting stakeholder feedback and examining the impacts of each change. The proposed change would eliminate the flexibility that the committee currently has to evaluate each change in scope and application and determine a course of action on a case-by-case basis.

As presented, we believe the proposed changes conflict with ANSI requirements, are detrimental to ASSE and the plumbing industry, and are costly to manufacturers. As such, PMI will continue to work with ASSE on behalf of the membership to ensure this issue is addressed properly. In addition to filing comments, PMI has contacted ASSE and requested that this be addressed during the ASSE Mid-Year Meeting in Charleston, S.C. on May 15-18, 2003.

Calendar

March 2003

25-30 ISH Frankfurt Germany

April 2003

1 I.T. Forum Registration Deadline
5-8 PMI 2003 Spring Meeting Atlanta, GA
11-13 K/BIS® Orlando, FL
12 Crystal Vision Breakfast Orlando, FL
24 IAPMO R&T Advisory Meeting Ontario, CA
28-May 1 IAPMO Technical Committee Meetings Reno, NV

May 2003

15-18 ASSE Mid-Year Meeting Charleston, SC

PMI and Industry Mourn Loss of Masco's Raymond F. Kennedy



Raymond F. Kennedy

Raymond F. Kennedy, president and chief operating officer of Masco Corporation, died suddenly at his home Tuesday night, February 4, 2003, of an

apparent heart attack.

Since 1996, Mr. Kennedy had been president and chief operating officer of Masco Corporation. Prior to that appointment he was made executive vice president in 1995 and had served as president of Building Products Companies since 1989. He had been involved with PMI and served as the Institute's president in 1983. He was 60 years old and a resident of Bloomfield Hills, Mich. and Indianapolis, Ind.

"Ray was a leader who was loved, admired and respected by all who knew him. He will be greatly missed by his family, many friends and business associates," said Masco Chairman and Chief Executive Richard A. Manoogian.

Mr. Kennedy's career began in 1963, following his graduation from St. John's University in New York. He began his career in a financial position with NBC News, and joined AMF, Inc. in 1966. During his career at AMF he held numerous positions in the controller's office and quickly moved into operating management where he was successively president of the Skamper Corporation, Head Ski and Tennis Company and the AMF Wheel Goods Division. He joined Masco in 1978 as president of the Plumbing Products Division, a position he held until 1989 when he moved to Corporate Headquarters to assume senior management responsibilities.

As well as he was known in business circles, he was equally active in many charity activities. A devout Catholic, he was on the cabinet for the Father Solanus Casey Center located at the Capuchin Monastery and a supporter of the Legionnaires of Christ. In addition, he was deeply involved in the work of Cornerstone Schools, where he and his wife supported a number of students. Mr. Kennedy was on the Board of Directors and an active fundraiser for The City of Hope, a Los Angeles California center of excellence for cancer treatment, and was honored by

that organization with its 1998 Spirit of Life award for his distinguished service. He also served on the Board of Directors of the University of Notre Dame Library Council.

Mr. Kennedy graduated with a Bachelor's of Arts degree in Business Management from St. John's University in 1963, and has a degree in Finance from the New York University Graduate School of Business. Mr. Kennedy was honored by St. John's University as its Man of the Year at a ceremony in New York City in November 2002.

Mr. Kennedy was born in New York as one of eight children, and married his wife of 39 years, Mary, in 1964. They have three married sons, Raymond, Michael and Kevin, and 11 grandchildren. His greatest pleasure, in addition to his continual focus on helping other people professionally and personally, was spending time with his grandchildren at their lake house in northern Indiana.

The family has requested that memorial donations be made to City of Hope, The Capuchin Ministries or Cornerstone Schools. PMI made a contribution to Cornerstone Schools on behalf of the membership in memory of Mr. Kennedy.

ASME Creates Award in Remembrance of Pat Higgins

The ASME Council on Codes and Standards has announced that it is creating an award in remembrance of **Patrick J. Higgins**, past vice president of the association's standardization department. Higgins had been chairman of the Main A112 Plumbing Materials and Equipment Committee for the American Society of Mechanical Engineers for 18 years, and a member of ASME's Council of Codes and Standards three years. In the summer of 2001 he assumed the chair of ASME's Board of Standardization, of which he had been a member for 10 years.

The ASME Patrick Higgins Award will recognize individuals who have contributed to the enhancement of standardization through contributions to the development and promotion of ASME codes and standards or conformity assessment programs. According to ASME officials, there is currently no award to recognize achievements and contributions in codes and standards/conformity assessment fields. Recipients will receive a medal, an embossed certificate and a \$1,000 honorarium, and one recipient will be chosen each year.

ASME is seeking donations to create a trust fund of \$25K for the program. To make your donation, checks should be made out to "ASME — Pat Higgins Medal" and mailed to the following address:



Pat Higgins

Mr. Steve Weinman
ASME
Three Park Avenue
New York, NY 10016-5990

PMI Welcomes New Members:

Falcon Waterfree Technologies LLC and Heyco Metals, Inc.

by: Lori Smelser, PMI Member Services Manager

PMI is pleased to welcome two companies into its membership — **Falcon Waterfree Technologies LLC** and **Heyco Metals, Inc.**

Falcon Waterfree Technologies LLC is a designer and manufacturer of waterless urinal systems. According to Falcon, each waterfree urinal saves approximately 40,000 gallons of water per year, resulting in dramatically reduced water and sewer costs. Falcon Waterfree's vitreous china urinal incorporates smooth, non-porous surfaces while eliminating corners and hard-to-clean areas, resulting in a safe, sanitary plumbing fixture.

A cartridge is installed at the base of the urinal and contains sealant liquid which provides the trap seal to protect the bathroom environment from the sanitary sewer system. The cartridge also filters out sediment, resulting in reduced drain blockage and allowing the remaining waste to pass freely down the drain. The cartridge is replaced about four times a year or every 7,000 uses.

Jay R. Troger, president of the U.S. division, and **Danny Gleiberman**, director of government affairs, will serve as PMI's representatives. According to Jay, Falcon Waterfree Technologies heard



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about PMI "through general knowledge of the prominent role that PMI plays in the industry." He hopes his company will gain additional insight and knowledge into the plumbing marketplace, as well as the opportunity to have a positive impact on the future of our industry. "We are so pleased to become PMI members," says Jay, "and we are enthusiastic about participating actively."

Heyco Metals, Inc. is a custom re-roller established in 1969 to produce copper and copper alloy coiled strip primarily for use in its stamping operation, Heyco Products. Located in Reading, Penn., one hour from two of the top three electronics connector companies in the world, Heyco quickly became a major supplier to the electronics market. In 1994, a plant in Penang, Malaysia was built to follow the electronics market as it exited the United States.

In 1999, a new product was developed called Heyco Sunshine™, which provided an entrance into the

decorative plumbing, lock hardware, and architectural markets. This product enables stamping companies to eliminate the costly buffing and polishing operations between stamping and plating. This new product has been met with great enthusiasm both domestically and internationally.

Dan Eastman, executive vice president, and **Kevin Eastman**, manager of business development, will serve as representatives to PMI. According to Kevin, they learned about PMI through the Internet and joined to gain a better understanding of the plumbing industry. "We look forward to a high level of participation with PMI, and we are especially excited about attending the 2003 Spring Meeting at Château Élan."



PMI and Its Staff are Highlighted in the Plumbing Trade Press

"Closing the Door on an Eventful Year, Looking Forward to 2003", *Plumbing & Heating Contractor News*, November/December 2002 and *The Wholesaler*, December 2002. (**Barbara Higgens** is quoted.)

"**Barbara Higgens** Was Elected to the Board of Council of Manufacturing Associations", *PME Insider*, January 23, 2003.



PMI is listed in the *Plumbing Engineer's* 2003 Directory of Associations and Organizations, *Plumbing Engineer*, January 2003.

"PMI Confirms Dates of 2003 Spring Meeting", *Southern Plumbing Heating Cooling Magazine*, January 2003.

"Conflicting Toilet Test Results Still Swirling About", *Contractor*, February 2003. (**Barbara Higgens** and **Dave Viola** are quoted.)

Dave Viola was quoted for Thomas P. Konen's obituary, *Plumbing & Mechanical*, February 2003 and *The Wholesaler*, February 2003.

"PM Announces Results of Internet, Fire Protection Surveys", *Plumbing & Mechanical*, February 2003. (**Ralph Herrbach** is quoted.)

"**Dave Viola** is serving as a member of PHCC's National Standard Plumbing Code Committee", *PME Insider*, February 20, 2003.

For Tim Mullally (KWC Faucets Inc), Success Starts with Family

by: Lori Smelser, PMI Member Services Manager

Attend virtually any PMI meeting and look for someone who's always upbeat, always smiling, very courteous — someone who can turn any frown upside down — you'll find **Tim Mullally**, president and general manager of PMI member company **KWC Faucets Inc**, of Norcross, Ga. But his sense of fun and humor don't mask the hard work he puts in while at a PMI meeting; lately, Tim has added several PMI hats to his collection. He was elected to the PMI Board of Directors this past October for a three-year term beginning January 1, he was appointed co-chair of the Fair Trade Issue Committee in February, and he is active in trade show consolidation activities.

Tim, a 37-year veteran of the plumbing industry and native of Beaumont, Texas, has been with KWC Faucets for the past six-and-one-half years. A graduate of management studies from Lamar University, he was previously president and general manager of Grohe and served in several capacities at Kohler Co. — director of marketing and planning, president of Kallista, and chairman of Ann Sacks Tile and Stone. Empowerment has kept him at the top of his game. "I believe success comes when you hire great people and empower them to provide excellent service to a select group of customers." And success has come indeed his, and

KWC Faucets' way — the company has more than doubled its sales over the past five years. In addition to fitting bathrooms and kitchens with faucets, KWC also develops special faucets for professional kitchens, health clubs, schools, nursing homes, hospitals and more.

While KWC Faucets has been a member since 1998, Tim has been involved in PMI activities for the past 11 years. Membership in PMI, he says, is crucial to KWC Faucets in order to "stay on the leading edge of legislative and codes and standards issues. These issues have a dramatic impact on our product offering and success." He hopes PMI continues to grow its membership base. "I would love to see PMI dramatically expand our membership to encompass all of the plumbing manufacturers doing business in the U.S. Imagine how much greater our impact will be!" PMI will continue to meet Tim's — and KWC Faucets' — needs by "successfully lobbying against codes and laws that are silly, wasteful,

redundant and unnecessary."

Success for Tim reaches far beyond his professional life. "I married a great wife, Arlene, 33 years ago, and she keeps me grounded and motivated," says Tim. Tim and Arlene met on a blind date in college. They dated for four years and married one month after graduation. The



Tim and his wife, Arlene, on Valentine's Day last year!

couple have two children: T.J., 26, is a manufacturers representative in Texas, and Laura Ann, 19, serves in the U.S. Army. Tim and Arlene plan to retire some day to the Texas hill country.

When Tim's away from the office and his extensive traveling schedule, he likes to unwind with a good game of golf or a hike in the North Georgia Mountains. He's a fan of John Grisham novels and a connoisseur of country and western music. He also enjoys cross-country driving, barbecuing with friends, and spending time with his family. What he DOESN'T enjoy are paper towel

Continued on page 7



(L) Tim and Arlene with their son, T.J., and on the right, the proud parents are shown with their daughter Laura Ann.

PMI Members Make Headlines in Recent Plumbing Trade Press

American Standard, Inc. recently acquired the second largest Spanish manufacturer Grupo Uralita's sanitary-ware business, known commercially in Spain and Europe by its brand Sangrá. According to American Standard, the acquisition expands their market presence and gains local manufacturing capability to better support their customers with a variety of products and accessories.



Delta Faucet Company was awarded the Outstanding Service Award by the city of Indianapolis for its commitment to Habitat for Humanity of Greater Indianapolis. Delta's 220 volunteers helped build three homes and the company donated bathroom and kitchen faucets and tub/shower systems.

The Elkay Division of **Elkay Manufacturing Co.** has announced that it has achieved certification to ISO 9001:2001 standards for total quality management. The certification includes the division's seven domestic plants and distribution centers, as well as sales and marketing, customer service, engineering, human resources, financial management and information technology.

Elkay's Executive Vice President **John Heilstedt** states there is a trend toward a more commercial look in residential kitchens. Elkay has made changes in its line of institutional and scullery faucets for more competitive pricing.

Plumbing manufacturer's representatives from across North America that help promote and sell Elkay products participated in an intense, five-day information session at **Elkay Manufacturing Co.'s** "School for Success". The annual program educates representatives on products and product developments and service enhancements. The program originated in 1986 and has educated over 500 sales representatives and company associates.

The March of Dimes honored **Elkay Manufacturing Co.** with its Vision 20/20 award, which recognizes DuPage County, Ill., businesses and organizations for their outstanding work in building a healthy community through progressive workplace practices.

The International Customer Service Association recently honored **Elkay Manufacturing Co.** with the Soul Award, created to recognize

exceptional customer service through hard work, resourcefulness and creativity. The award is a result of the efforts of Elkay's Customer Process Integrity Project aimed to minimize customer inconvenience and improve internal operations.

Kohler Co. has enhanced its Web site (www.kohler.com) to include new interactive sections. The My Kohler folder is a new organizational tool that allows users to save products to interest, create room portfolios and share product information with a designer or friends and family through the "E-mail a Friend" feature. Users can also print personalized PDF portfolios with product information and pricing.

HousingZone.com, an informational Web site focused on the residential construction sector, awarded Kohler.com a 2002 Web award for the comprehensive product catalogs and wealth of product information for both consumers and for professionals.

Swiss manufacturer KWC AG decided to merge its U.S. subsidiaries, **KWC Faucets Inc.** and Hansa USA. The product line will be under the KWC brand.

For Tim Mullally (KWC Faucets Inc.), Success Starts with Family

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dispensers 20 feet from the sink basin. We might agree!

Tim has developed heroes along the way — Albert J. Coburn (founder of Coburn Supply, a plumbing company in Texas and Louisiana who was Tim's mentor), Ronald Reagan ("Reagan was a great president, and he ended communism — something I never thought I'd see in my lifetime"), and George Bush and Rudy Giuliani ("both gentlemen are so solid and have handled themselves and their

leadership superbly since September 11"). His love of family, as well as his passion for education, were instilled in him by another hero of his — father Joseph Mullally.

If there is something to remember about Tim, it is his zest for life. "I just take each day as it comes and make the most of it," he says. We at PMI think you do too, Tim, and we are very thankful for your contributions to our Institute!



Tim Mullally at the KWC display at K/BIS®

PMI "Shorts": A Snapshot of Industry News You Can Use

- Congratulations to **Tim Mullally** of **KWC Faucets Inc.**, who's been appointed by PMI President **Ralph Herrbach** to serve as co-chair of the Fair Trade Issue Committee with **Frank Evans** of **The Chicago Faucet Company**. Congratulations also to **Pete DeMarco** of **American Standard, Inc.** who was appointed by Ralph as the new co-chair for the Technical Committee.
- There's a new report in town...and hopefully your company is participating!! PMI recently issued to company CEOs information on a quarterly statistical program to supplement the popular monthly CEO Business Conditions program. Beginning with fourth quarter 2002, PMI will be requesting quarterly data on days sales outstanding for accounts receivables, days sales outstanding for accounts payables, the percentage of accounts payables to sales, and inventory turns.
- Promotional material was recently sent to all members regarding the upcoming Information Technology Forum, July 29-30 in Schaumburg, Ill. Please let PMI know if you need another copy. **The deadline for registering is April 1!**
- PMI Technical Director **Dave Viola** was recently appointed to the National Standard Plumbing Code (NSPC) Committee. With this appointment, PMI is now the only organization that has representation on all model code development committees. A key aspect to Dave's appointment is the working business



relationship between PMI Executive Director **Barbara Higgins** and PHCC Executive Director **Ike Casey**. Dave has also been reappointed as a principal member of the IAPMO Plumbing Technical Committee by the IAPMO Standards Council.

- Did you know that PMI is a member of the Tax Relief Coalition, which is working to advance the President's economic growth and jobs creation initiative? PMI was recently listed in an ad that ran in *Roll Call*, a newspaper targeted to the Capitol Hill community. Contact PMI for more information on the coalition's initiatives.
- PMI members who are exhibiting at ISH in Frankfurt Germany later this month, as well as those attending the trade show, were mailed "PMI Member" ribbons to wear and proudly display their pride in PMI membership. PMI will do the same for those exhibiting and attending April's K/BIS® show in Orlando, Fla. Stay tuned to the next issue and find out who wore their ribbons with pride!
- Speaking of K/BIS®, don't forget the breakfast to honor this year's Crystal Vision award winner (The Great Indoors) will be held Saturday, April 12.
- Gerber Plumbing Fixtures Corp. has completed a transaction in which most of the assets of Gerber have been sold to a new entity, Gerber Plumbing Fixtures LLC. Chicago headquartered Globe Union Group, Inc. is the majority owner of Gerber Plumbing Fixtures LLC.
- The Chicago Highlanders Pipe Band has earned the title of "Champion Supreme" for their performance



record in highland game competitions throughout the Midwest during the 2002 competition season. The band consistently took either First or Second place trophies in each of the competitions this year. Our own **Barb Higgins** plays tenor drums and is shown here with her husband **Trey** who plays bagpipes in the band. The Chicago Highlanders are the oldest contiguous pipe band in Chicago, having been founded in 1921. Among the band's "groupies" are PMI Board members **John Lauer** (who saw the band march in two parades this summer — once in the RAIN) and **Lee Mercer** (who, with his daughter, attended the Oberlin, Ohio Highlands games to see the band compete) and **Lori Smelser** and family who attended a Chicago Highlanders concert this summer at Cantigny in Wheaton, Ill.

Grandpa Ralph Welcomes an Addition to the Clan

Mara Elisabeth Herrbach was born on February 22, 2003, at 3:09 p.m. She weighed in at 7 lbs. 8 oz. and 20.5 inches long. She and her mom are doing very well. Mara is pictured left with her big brother, Max. Proud papa is Ralph's son, Sam.



A View from the Hill —

PMI's Efforts Help to Bring MP&M Rule to a Successful Conclusion

by Fred Eames, Balch and Bingham, LLP

U.S. Environmental Protection Agency (EPA) Administrator Christine Todd Whitman signed on February 14 the final Metal Products & Machinery (MP & M) rule, bringing to a successful close a difficult effort for industry to prevent what could have been expensive and unwarranted new regulation. Few, if any, operations of PMI members should be affected.

While the EPA had initially proposed dramatic tightening of water pollutant discharges for a broad variety of businesses, a concerted effort by industry to rebut information on which the EPA premised its proposal resulted in wholesale change to the rule prior to its being issued.

The final rule promulgates

limitations and standards only for businesses in the oily wastes subcategory whose liquid wastes are discharged directly into water sources like a lake or river, rather than to a water treatment facility.

Businesses in the general metals and job shop subcategories, in which PMI members are largely (if not exclusively) included, will face no revised standards. A limited number of general metals operations will be reclassified as "oily waste" operations, but only those facilities whose wastes are not first sent to a public water treatment facility will face new standards.

The costs could have been enormous. By one estimate, compliance costs with the rule as

previously proposed could have topped \$1 billion per year.

Rarely does a federal agency retreat to such an extent from a regulatory proposal. However, faced with well-documented facts contradicting the bases on which the proposed rule was built, the EPA had little choice but to concede. Not only is this a significant victory for manufacturers, but it may also serve as a case study for how to successfully address a flawed regulatory effort.

Thank you to all PMI members who helped us achieve this win!



Fred Eames



EPA's Clean Water Act Turns 30



October 23, 2002, marked the 30-year anniversary of the Clean Water Act, legislation enacted in 1972 to restore

and protect U.S. water resources. How much do you know about the Act? Here's a brief primer on the provisions of the Act.

The Act:

- established the basic structure for regulating discharges of pollutants into the waters of the United States;
- gave EPA the authority to implement pollution control programs such as setting wastewater standards for industry;
- continued requirements to set water quality standards for all

- contaminants in surface waters;
- made it unlawful for any person to discharge any pollutant from a point source into navigable waters, unless a permit was obtained under its provisions;
- funded the construction of sewage treatment plants under the construction grants program and recognized the need for planning to address the critical problems posed by nonpoint source pollution; and
- made it possible to more effectively exercise the "3-C's" of water quality; **Clean** up, **Clear** out and **Control** pollution in our waters.

In the three decades since its passage, Clean Water Act programs have yielded measurable improvements in water quality.

For more information on the Act, visit www.yearofcleanwater.org.

SAVE THE DATES!!

July 15 – 16 PMI Codes/Standards and Plumbing Industry Basics Workshop (Schaumburg, Ill.)

July 29 – 30 PMI Information Technology (I.T.) Forum (Schaumburg, Ill.)

CONTACT PMI FOR MORE INFORMATION!
(847) 884-9764

The U.S. Economy Is Still Between Recovery and Recession

by: Scott Franklin, Principal, First Generation Consulting

The U.S. economy continues to sputter, stutter, stagnate and stagger, despite predictions for over a year that a robust recovery is imminent. Like watching a boxer in the late rounds of a fight, observers are unsure whether the economy will rally or be knocked out by a well-placed punch — or a stiff wind.

Contradictory short-term trends and reports are confounding analysts who are anxious to declare a turning point in the economy. The robust four percent growth in the third quarter of 2002 was followed by an anemic 0.7 percent rise in gross domestic product (GDP) the last three months of the year.

A number of factors will determine whether 2003 brings a road to recovery or a double-dip recession. Consumer spending kept the economy buoyant in 2002, due to record home purchases, new car sales, mortgage refinancing, and an increase in inflation-adjusted household income. Historically low interest rates triggered home refinancing and the ability of car manufacturers to offer zero percent interest rates.

Interest rates will probably not decline much further, but should remain low enough to continue to stimulate consumer spending. Unemployment rates will persist in the six percent range until the private sector regains confidence to start hiring. The longer workweek in the manufacturing sector is being accomplished by offering overtime to existing employees, not new hires. For 29 consecutive months, employment in the manufacturing sector has declined, marking a post WWII high.

Economists predicting continued strength in consumer spending point to low interest rates and tax rate reductions that take effect in 2003, plus other benefits that may result from passage of the administration's stimulus package. However, two

factors have the potential to erode consumer strength.

The steep rise in oil and gas prices restricts consumers' discretionary spending. A long-term rise in energy prices could shave 0.5 percent from annual GDP according to some economic models. And while the federal government's stimulus package will provide additional income to households through tax relief, state and local governments will partially offset that additional income by imposing higher taxes and fees. Most states face budget deficits this year, and must close the gap through reduced spending or increased taxes.

Despite falling inventories, the manufacturing sector has yet to make a major commitment to capital spending. Capital goods orders remain dormant with business purchases made primarily to replace older equipment, not to expand capacity. Capacity utilization remains well below historic averages. Commercial and industrial loans outstanding continue to decline, a further indication that businesses are reluctant to make new investment.

The chasm between health of the manufacturing and service sectors continues to widen. Service industries continue to add jobs, while manufacturing employment is down 1.8 million since January 2001. Also troubling to manufacturers is their loss of pricing power. From December 2001 to December 2002, prices of manufactured goods dropped by 1.5 percent (excluding food and energy) while service sector prices rose 3.2 percent.

Vacancy rates for commercial and industrial space jumped to 16 percent in the fourth quarter reflecting the shift

to overseas production as well as the tendency of U.S. corporations to place a higher priority on improving balance sheets than expanding operations. Not surprisingly, research firm Economy.com projects that nearly one-third of the nation's 300 metropolitan areas remain in a recession.

A conflict in the Middle East is the wild card in predicting the economic direction of 2003. Oil prices have already risen in anticipation of a disruption in oil supplies. The stock market jitters that have caused a sell-off since the beginning of the year were at least partially driven by war fears. The conventional wisdom is that a short war with a successful conclusion will erase the uncertainty that has clouded consumer and business spending decisions.

The upside for 2003 rests with the underlying fundamentals of the economy. Inflation remains low, productivity is high, and both monetary and fiscal stimulus are available. Sales of new and existing homes should continue strong, although not at the torrid pace of the last year. If business spending can reemerge from its dormancy, the economy may once again find its legs.

Scott Franklin is a principal at First Generation Consulting and holds a master's degree from the London School of Economics. He develops seminars, speaks, and writes about economic issues facing the business community. Scott can be reached by e-mail at firstgener@cs.com or by phone at 913-642-6951.



Just Added to the 2003 PMI Spring Meeting!!

Presentation Focuses on CRM, Email Marketing Campaigns

During the “E-Business Issues and Opportunities” (formerly I.T. Committee) committee meeting on **Sunday, April 6**, attendees will be treated to a presentation on customer relationship management (CRM), using email campaigns as a key CRM strategy. **Eugene Park**, director of sales and marketing for Intrust I.T., Inc. a business solutions company in Schaumburg, Ill., and **Jeff Zarse**, the company’s senior solutions architect, will discuss the various definitions of CRM and its potential benefits, technology challenges to consider when choosing your CRM strategy, getting started with CRM, various CRM strategies (operational CRM, analytical CRM and collaborative CRM), how to measure CRM effectiveness, and why some CRM projects fail.

Five key points to remember with CRM programs are: CRM is never “done” — in order to be successful, it needs to be ongoing; CRM is process — driven and assisted by technology; the customer manages you — you cannot manage the customer; process integration is key; and loyalty is the end goal.

Jeff Zarse is a senior solutions architect for Intrust I.T., Inc. He has worked on building new and innovative solutions for both discrete and process manufacturing firms, telecommunication companies and financial trading firms.

Zarse has over 13 years of experience helping his clients understand how technology can support their business processes. His range of custom development projects include several applications for the financial markets, system configuration tools for manufacturing firms, and POS system development for retail firms. He also managed several large CRM implementation projects, including one for a large HVAC manufacturing firm. Zarse also has a great deal of experience building highly-integrated solutions using Enterprise Application Integration tools.

Zarse currently serves on the Board of Directors for Crew4, a not-for-profit volunteer placement firm, works with inner city youth through the Midtown Educational Foundation, and is a member of the Alliance Française de Chicago.

Eugene Park has significant experience in the area of customer relationship management. He has worked with companies ranging from public Fortune 500 firms to middle market, privately held companies including Grainger, Wrigley, McDonald’s and In-Sink-Erator. His specialties include channel strategy development and customer sales strategy.

Park has a 14-year track record of delivering successful consulting projects ranging from manufacturing management to customer facing projects. He currently serves on the Board of Directors of Crew4 and for the Chicago Executive Forum.

Be sure to attend this valuable presentation on April 6.



DON'T MISS..... PMI'S LATE NIGHT RECEPTION!!!!

NEW!

Join us for a late evening of fun!!

Sunday, April 6

9:30 p.m. - 11 p.m.

Élan Ballroom A, Château Élan

After PMI's early reception followed by dinner on your own, come back for late night cocktails and dessert.

Participate in a trivia game with prizes!!

IT'S AN EVENING OF FUN YOU WON'T WANT TO MISS!!!



A Vision of Controlled Growth and Added Value

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another key opportunity to address needs. PMI has responded by developing a codes and standards workshop, including a component on how the industry works, as well as an Information Technology Forum, both scheduled for July (see announcement on page 9).

PMI will focus these and future workshops on what we know best — our products and industry. Our goal is NOT to replace or compete with other sources of education, but rather to fill the voids as identified by our members. Be sure to attend or support these initiatives by encouraging attendance by all appropriate fellow employees. Both forums are FREE to PMI members. We also ask you to offer suggestions for future workshops. Just as our semi-annual meetings offer a venue for the exchange of

information, these new initiatives will provide important information that cannot be gleaned elsewhere.

Our industry is a relatively small one — growing smaller with the passing of such notable technical experts such as Pat Higgins, Tom Konen and others. The number of gurus and specialists in the plumbing industry is diminishing. One of PMI's many valuable contributions to the industry will be to replenish and nurture a new generation of industry experts.

On an entirely different level and scope PMI could become a major influence in addressing the need for more qualified installers, specifiers, sales persons, customer service personnel, etc. In doing so we would be addressing a problem that plagues business owners within the

distribution chain as well as member companies on various fronts.

These roles are fitting for an association whose name includes the word "Institute"!

See you at the Spring Meeting!

CSA International Appoints New Director of Certification Services, U.S. Operations



George Gruss

CSA International has appointed **George Gruss** to director, Certification Services, U.S. Operations. In his new role, Gruss will oversee

responsibility for the gas-fired, electric and plumbing product certification services provided by CSA International's U.S. Operations located in Cleveland, Ohio, and Irvine, Calif.

"George will focus on making CSA International more responsive to customer's needs, particularly for service delivery in both Cleveland and Irvine," said Randall W. Luecke, vice president, certification at CSA International. "He will take a leadership role in providing streamlined operations, increase

service velocity and ensure process integrity. With a solid technical and management background, George brings excellent management experience to this position."

Gruss has been director of certification of CSA's International office in Cleveland for the past eight years. He was also manager for three different product departments. In addition to product testing and certification, George is also involved in the development of national safety standards of gas-fired products. He served as the technical representative of A.G.A. Laboratories to numerous product subcommittees involved in updating national standards. Gruss is a graduate of Cleveland State University with a Bachelor of Science degree in Business Administration and a graduate of Baldwin-Wallace College with an Executive Master's degree in Business Administration.

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