

## The Future of Change

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



Kerry Stackpole

Has the nature of change really changed? In her just released book, “Imagine It Forward,” former General Electric Vice Chair **Beth Comstock** points out that “what started out as seemingly isolated, episodic incidents has come to resemble an epidemic...the nature of today’s challenges cannot be solved by yesterday’s tried-and-true expertise.” Our world no longer works that way. She

writes, “The coming onslaught of ever more digitization, and automation, and artificial intelligence – it means virtually every industry is coming to its point of reckoning.”

Why does this matter? One reason is that human beings are bad at changing. Yet, they are surprisingly capable of adapting. Wait, what? Isn’t changing the same as adapting? Actually no. Adapting is becoming accustomed to new conditions, while changing is all about becoming something entirely different. It has been said that it is not the strongest of the species, nor the most intelligent, that survives. It is the one that is most adaptable to change.

Have you ever noticed that special, warm, certain feeling you get when visiting with an old friend, a mentor, or perhaps that special member of the family? I got that feeling in abundance this week when I had the opportunity to discuss **John Kotter’s** work on change with a great group of leaders. Kotter is a favorite among business people. The quality and caliber of his thinking – the wisdom he has extracted from his experiences – resonates at so many different levels. His work is both thoughtful and profound.

Kotter, trained as an electrical engineer at MIT, earned his doctorate at Harvard, and joined the faculty of the Harvard Business School. In the universe of “publish or perish,” Kotter has excelled. He wrote one of the Harvard Business Review’s all-time best-selling articles and has, over the past 30 years, produced 18 books, many of which rank in the top 1% of sales on Amazon.com. His work speaks authentically

to the challenge of leadership and change. So, what does it take to create real lasting change? Kotter offers a road map of sorts in his best-seller, “Leading Change.” Kotter says there are eight crucial steps leaders must take to assure success:

1. Establish a sense of urgency
2. Build a guiding coalition throughout the organization
3. Develop a vision and strategy
4. Communicate the change vision
5. Empower employees to take broad-based action
6. Generate short-term wins
7. Consolidate gains to produce more change
8. Anchor the new approaches into the culture

If you’ve ever undertaken a change effort, you know it is not for the faint-hearted. There are just so many opportunities for sabotage at so many levels within an organization. On more than one occasion – even in the face of certain collapse – individuals and organizations cannot and will not muster the necessary resources and energy to change. Need an example? Look no further than Sears Roebuck. Frustration doesn’t begin to describe the feeling.

Change is daunting. It is often thrust upon us – these days without much warning it seems. It is an enormous catalyst for expanding your success and assuring continuity. Unexpected change created by the actions and decisions of individuals or entities outside our control is the most challenging, oftentimes because it is so unexpected. Oddly enough, change you can see on the horizon is challenging too – fear, paralysis and resistance often force poor choices. Think about public and private colleges and universities for a moment. First, there was the rise of private, for-profit colleges and universities vying for students, financial aid funds and prestige. Then came the growth of the lifetime learning movement catching colleges off-guard. Both the non-profit and private sector took to the marketplace with fresh offerings. Then came online degree programs. With the fast rise in popularity and the benefit of education software, online payment systems and high-speed Internet access, public and private colleges were able to ride the wave.

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# Conference to Feature Solid Tech, Water Efficiency Tracks

By Matt Sigler, PMI Technical Director



Matt Sigler

PMI has an outstanding program ready for members and other attendees seeking information about technical, water efficiency and sustainability issues at the Nov. 5-8 PMI Con-

ference at the Wigwam Resort near Phoenix. A terrific lineup of speakers will present important topics that could have an impact on the plumbing product industry.

## Water Efficiency and Sustainability Track, 1:40 to 2:30 p.m., Nov. 7

**Markus Lenger**, CEO, CleanBlu Innovations, Inc., will be presenting on the topic of smart cities and water reuse. Where the current trend to expand the “smart home” to a “smart city” has revealed many new challenges and created the need for new innovations that provide a responsive and sustainable infrastructure to create a better quality of life, Markus will discuss trends, technologies, concepts and implementations around the world. He will also explain the relationship between smart cities, water reuse and the impact on quality of life.

## Technical Track, 9:30 to 11:30 a.m., Nov. 8

**Patrick Gurian**, associate professor, Civil, Architectural and Environmental Engineering Department, Drexel University, will be presenting on Drexel’s EPA-funded research study that focuses on a full factorial experimental design of how pipe material, disinfectant type (chloramine vs. free chlorine), pipe diameter, and usage rate impact water quality and on the results of interviews with 22 subject matter experts on factors affecting water quality in buildings.

**Andrew Whelton**, Ph.D., associate professor of civil, environmental and ecological engineering, Lyles School of Civil Engineering, Purdue University, as the principal investigator, will be speaking on the ongoing EPA-funded research study where a multi-institution team partnered with 31 public and private organizations and embarked on a pioneering plumbing safety research program. Centered at Purdue University, this national priority research program is identifying key relationships between water use, technology, and drinking water safety. One goal is to predict water quality and health risks – at any faucet – posed by declining water usage and low flows. This presentation will include insights about the most monitored home in America and the Purdue plumbing testing facility.

**Peter Mayer**, P.E., principal, Water Demand Management, will take a step back during his presentation to look at the remarkable long-term success of water efficiency in the U.S. as evidenced through changing demand trends shown in data from the United States Geological Survey, the Water Research Foundation’s Residential End Uses of Water studies, and water providers across the country including New York City and the Metropolitan Water District of Southern California. His presentation will review urban water demand trends in America and the causes of the widespread changes in consumption and increases in efficiency that have been observed over the past 20 years. He will conclude with a review of future demand trends and a perspective on past and future efficiency.

So, there you have it, a summary of some of the topics that will be presented during this year’s PMI Conference. Don’t miss it.

## Copper Development Association Holds Brass Scrap Summit



PMI Technical Director Matt Sigler attended the Copper Development Association (CDA) Brass Scrap Summit in Oakbrook Terrace, Ill. Matt (middle) is with CDA executives Adam Estelle (left) and Andy Kireta (right). PMI Board of Directors President Pete Jahrling (Sloan Valve Co.) and Eric Boes (Delta Faucet) also represented PMI at the summit. The purpose of this second summit was to build on the progress of the first summit by bringing together stakeholders to identify, discuss and advance solutions to protect the brass scrap recycling economy. There was unanimous support for another summit in 2019.

# FTC Intensifies Enforcement of 'Made in USA' Claims

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

While enforcement of several United States federal regulations has been relaxed recently, efforts have intensified to monitor and enforce claims that products are “Made in USA.” These stepped-up efforts are a result of the Trump Administration’s forceful crackdown on imported products unfairly labeled “Made in USA.” Information about plumbing products made in America can be found on PMI member websites.

The Federal Trade Commission (FTC), which administers the official “Made in USA” policy, announced several enforcement actions in 2018 against businesses falsely making this claim and misleading consumers, including a water filtration company, a hat business and a pulley block system distributor.

By law, only companies producing automobiles as well as textile, wool and fur products are required to disclose U.S. content of those products, according to the FTC. However, manufacturers choosing to make claims about the amount of U.S. content in

their products must comply with the FTC’s policy as well.

The commission requires that a product advertised as “Made in USA” be “all or virtually all” made in the U.S. To make that determination, the FTC first considers that the final assembly or product processing took place in the U.S. The commission also considers the portion of a product’s total manufacturing costs that are attributable to U.S. parts and processing, and how far removed any foreign content is from the finished product.

The FTC’s enforcement policy statement on U.S. Origin Claims ([bit.ly/1OXeGMW](http://bit.ly/1OXeGMW)) says that the policy’s principles apply to claims included in advertising, labeling, other promotional materials, and all other forms of marketing, including digital and electronic marketing through the Internet or email.

The FTC provides tips and advice for companies wanting to make such claims in its “Made in USA” guidance

document ([bit.ly/1Ltxbld](http://bit.ly/1Ltxbld)). Companies can make either express claims, such as labeling products with “USA” or “Our products are American-made,” or implied claims using U.S. symbols or geographic references, such as the U.S. flag or an outline of a U.S. map, according to the FTC.

If the FTC believes a “Made in USA” claim is deceptive, and the law has been violated, it will issue an administrative complaint challenging that particular representation. If the commission issues a final consent order against a company and the company violates that order, it can result in a civil penalty of up to \$40,654.

To learn more about complying with the FTC’s “Made in USA” standard, take a look at the FTC’s guidance document on the commission’s website ([bit.ly/1Ltxbld](http://bit.ly/1Ltxbld)).

This article is for informational purposes only and not for the purpose of providing legal advice. Contact an attorney to obtain advice with respect to any particular issue or problem.

## Congress on Verge of Approving WaterSense Authorization

As this issue of Ripple Effect was finalized, the Senate was expected to vote soon on the bipartisan America’s Water Infrastructure Act of 2018 (S. 3021), which includes a PMI-supported provision to authorize the EPA’s successful WaterSense program, as well as funding to modernize the nation’s drinking water infrastructure.

With the House having passed this legislation on Sept. 13, the measure would head to the White House for President **Donald Trump’s** signature after Senate approval.

“Gaining congressional approval for WaterSense authorization is an achievement PMI, our members and our coalitions

partners have steadfastly worked toward for many years,” said PMI’s CEO/ Executive Director **Kerry Stackpole**. “Authorization will provide certainty to the WaterSense program and its partners. It’s great to have the finish line in our sights.”

PMI applauds and recognizes the following senators and House members for their leadership and long-standing support of WaterSense authorization legislation: Senators **John Barrasso** (R-Wyo.), chairman of the Senate Committee on Environment and Public Works; **Tom Carper** (D-Del.), committee ranking member; **John Boozman** (R-Ark.), **Ben Cardin** (D-Md.), **Rob Portman** (R-Ohio), **Lamar Alexander**

(R-Tenn.), and **Tom Udall** (D-N.M.), and Representatives **Greg Walden** (R-Ore.), **Frank Pallone** (D-N.J.), **Bill Shuster** (R-Pa.), **Peter DeFazio** (D-Ore.), **John Shimkus** (R-Ill.), **Robert Latta** (R-Ohio), **Jerry McNerney** (D-Calif.), and **Matt Cartwright** (D-Pa.).

Over the past few weeks, PMI actively engaged with key stakeholders in support of the WaterSense authorization language included in the bill. More than 1,700 WaterSense partners participate in the public-private program, including manufacturers, water utilities, building groups, retailers, associations and communities all dedicated to better water efficiency in the U.S.

# Conference MC Explores Gap Between Potential/Success

By Thom Singer, CSP, and Master of Ceremonies of the PMI 2018 Conference



Thom Singer

While many “high potential” professionals believe they are doing all they can to achieve their best, they often become frustrated when they come

up short of meeting their personal expectations – and the expectations of colleagues and managers. Some become paralyzed from fear of failure and avoid taking risks, while others can’t quite put their finger on what is holding them back.

On the other hand, those who accomplish more and reach higher levels of career success are clear on what they want to do, have created a plan on how to get there, and tend to enjoy their work. When knocked off course, they simply reposition their efforts.

For decades, companies have been identifying and training their “high potential” employees, placing them in special programs designed to prepare them for future leadership roles and rewarding them with additional education and high praise. However, some of these individuals never grow into leadership roles.

Clearly, there is a gap between recognizing employee potential and helping employees realize success, both individually and for the organization. Research has shown there is no single factor holding people back, and there is no single solution to ensure bridging that gap. It all comes down to getting everyone in an organization to share a mindset for growth – transcending individual goals, education, hard work and serendipity.

There always seems to be much excitement and discussion around helping employees reach their true

potential; however, the right actions need to be taken to achieve success. To realize their full potential, employees must fill three distinct buckets: passion, plans and people.

Do your employees really enjoy their work? Having a passion for work propels everyone through the difficult times. Unfortunately, it is common for people to fall into careers that are not suited to their skills and preferences; yet, they stay for the paycheck or because they do not know what else they can do. Lack of passion in a career leads quickly to mediocrity.

It has been established that those who focus on personal achievement in conjunction with the needs of their organization will be most fulfilled in their jobs.

Are there clear and attainable goals set by the individual and the organization? If there is not a clear picture drawn of what success looks like, there is no way to get there. A plan and well-defined goals allow employees to make the hard

decisions they face every day. They merely need to ask: will this action take me closer to my goals or lead me farther away? The answer will make it simple to know what to do in almost every situation.

Do you and your team have a strong network and good working relationships? Professional networking matters more than ever and is paramount to finding success. All opportunities stem from people and their interactions with each other. While our modern world is obsessed with likes, shares and followers, social media and electronic gadgets will never replace the value people get when they engage and work together.

Relying on luck to build a career and achieve success in an organization clearly is not the answer. It takes passion for your work along with action. This work requires careful planning, well-defined goals and teamwork. Only then can you reach your full potential and, ultimately, contribute to the success and growth of your company.

## Oct. 15 Room Block Deadline; Home Builders Panelists Named

Make your reservation at the Wigwam Resort by Oct. 15 to take advantage of the PMI room block discount rate of \$189 per night. Contact the hotel directly at 623-935-3811 and ask for the Plumbing Manufacturers International rate, or book online at <https://bit.ly/2QbjakP>.

In addition, five building professionals will be bringing their vast industry expertise to the home builders panel scheduled for the afternoon of Nov. 6:

- **Connie Wilhelm**, CEO, Home Builders Association of Central Arizona (HBACA)
- **Bob Flaherty**, division president, Toll Brothers
- **Phillippe Lord**, chief operating officer and executive vice president, Meritage Homes
- **David Viger**, regional president, Richmond American Homes
- **Andy Warren**, president, Maracay Homes (a division of Tri-Pointe)

Register now if you haven't yet for this exciting annual meeting of the PMI membership! [safeplumbing.org/2018-pmi-conference](http://safeplumbing.org/2018-pmi-conference)

# 2018 PMI Conference Scheduled Activities

## Monday, November 5

- 12:00 p.m. - 3:00 p.m. PMI Board of Directors Meeting (Invitation only)  
3:00 p.m. - 4:00 p.m. Committee Chairs and Board Meeting  
3:00 p.m. - 5:00 p.m. Meeting Registration  
5:30 p.m. - 6:00 p.m. VIP/1st Time Attendee Reception (Invitation only)  
6:00 p.m. - 7:00 p.m. Welcome Reception for All Attendees

## Tuesday, November 6

- 8:30 a.m. - 9:00 a.m. Opening Remarks from PMI Leadership. Introduction of “The Conference Catalyst,” **Thom Singer**, CSP, PMI Conference Master of Ceremonies  
9:00 a.m. - 10:00 a.m. Keynote - **Jack Uldrich**, Futurist, Author and Speaker on Technology, Change Management and Leadership  
10:00 a.m. - 10:20 a.m. Networking Break and Exhibits  
10:20 a.m. - 11:00 a.m. **Warren Tenney**, Executive Director, Arizona Municipal Water Users Association (AMWUA)  
11:00 a.m. - 12:00 p.m. **Pete DeMarco**, Executive Vice President of Advocacy and Research, IAPMO, and Chair of the US Technical Advisory Group for ISO/PC 316, Standard for Water Efficient Products – Rating  
12:00 p.m. - 1:00 p.m. Lunch, Exhibits, Networking and Free Time  
1:00 p.m. - 2:30 p.m. Home Builders Panel with **Connie Wilhelm**, CEO, Home Builders Association of Central Arizona (HBACA); **Bob Flaherty**, Division President, Toll Brothers; **Phillippe Lord**, Chief Operating Officer and Executive Vice President, Meritage Homes; **David Viger**, Regional President, Richmond American Homes; and **Andy Warren**, President, Maracay Homes (a division of Tri-Pointe)  
2:30 p.m. - 2:50 p.m. Networking Break and Exhibits  
2:50 p.m. - 4:00 p.m. Commerce Committee, with a Focus on Trade Issues. **Yvonne Orgill**, Chief Executive, Bathroom Manufacturers Association (BMA); **Marisa Walker**, Senior Vice President, Infrastructure, Arizona Commerce Authority; **Gary Stanley**, Director, Office of Materials Industries, U.S. Department of Commerce; and **Salim Bhabhrawala**, Senior International Trade Specialist, U.S. Department of Commerce  
5:00 p.m. - 8:00 p.m. Fiesta Dinner

## Wednesday, November 7

- 8:30 a.m. - 9:30 a.m. **Tara Lohan**, Deputy Editor, The Revelator, Center for Biological Diversity, and Former Managing Editor of Water Deeply  
9:30 a.m. - 10:30 a.m. Legionella Presentation: **Joseph A. Cotruvo**, Ph.D., BCES, President, Joseph Cotruvo & Associates, LLC  
10:30 a.m. - 10:50 a.m. Networking Break and Exhibits  
10:50 a.m. - 12:00 p.m. Advocacy/Government Affairs, with PMI Government Affairs Consultants **Jerry Desmond** and **Stephanie Salmon**, and **Jim Buster**, CEO, Southwest Resource Strategies  
12:00 p.m. - 1:00 p.m. Lunch, Exhibits, Networking and Free Time  
1:00 p.m. - 1:40 p.m. Allied Member Committee and WaterSense Presentation by **Veronica Blette**, Chief, Environmental Protection Agency (EPA) WaterSense Program  
1:40 p.m. - 2:30 p.m. Water Efficiency and Sustainability Committee with **Markus Lenger**, CEO, CleanBlu Innovations Inc.  
2:30 p.m. - 2:50 p.m. Networking Break and Exhibits  
2:50 p.m. - 4:00 p.m. General Membership Meeting (Members Only)  
4:00 p.m. - 5:00 p.m. **Thom Singer**, CSP, PMI Conference Master of Ceremonies  
5:30 p.m. - 6:30 p.m. Cocktail Reception  
6:30 p.m. - 8:30 p.m. PMI Dinner

## Thursday, November 8

- 9:00 a.m. - 9:30 a.m. Intro to Dual Tracks  
9:30 a.m. - 11:30 a.m. **Technical Track**  
**Patrick Gurian**, Associate Professor, Civil, Architectural and Environmental Engineering Department, Drexel University; **Andrew Whelton**, Ph.D., Associate Professor of Civil, Environmental and Ecological Engineering, Lyles School of Civil Engineering, Purdue University; and **Peter Mayer**, Principal, Water Demand Management  
**Outreach/Communications Track**  
Media Panel with **Tara Lohan**, Deputy Editor, The Revelator, Center for Biological Diversity, and Former Managing Editor of Water Deeply; **Ashlei Williams**, Editorial Director, Plumbing Engineer, and CMO, PHCP Pros; **Jen Anesi-Brombach**, Chief Editor, Plumbing & Mechanical; and **Bret Jaspers**, Senior Field Correspondent, KJZZ and Arizona Public Media  
11:30 a.m. - 12:00 p.m. Closing Ceremony



# Take Action in Oct.: Promote Energy Efficiency, Our Industry

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

PMI members have several opportunities this month to help support and promote energy efficiency and sustainability, as well as to showcase the benefits of working in the plumbing manufacturing industry.

During the 3rd annual Energy Efficiency Day, businesses, advocates, government agencies, utilities and others across the United States are taking part in a collaborative effort to encourage ways for everyone to become more energy efficient.

A social media “Take Action” toolkit ([energyefficiencyday.org/social-media-toolkit/](http://energyefficiencyday.org/social-media-toolkit/)) can help spread the word about Energy Efficiency Day with sample tweets, LinkedIn and Facebook posts, as well as social media graphics. Participants also are using the hashtags #EEDay2018, #SaveEnergy, #SaveMoney and #EnergyEfficiency to tweet messages on Twitter and post updates on Facebook. In addition, companies are showing their support by officially adding their names to the growing list of supporters ([energyefficiencyday.org/join-today/](http://energyefficiencyday.org/join-today/)).

To view the latest updates, as well as to tweet and post messages, visit the Energy Efficiency Day Twitter page ([twitter.com/EEDay2018](https://twitter.com/EEDay2018)) and Facebook page ([facebook.com/EnergyEfficiencyDay/](https://facebook.com/EnergyEfficiencyDay/)).

It’s also a great opportunity for PMI members to promote WaterSense plumbing products, including toilets, showerheads and faucets, using the hashtag #WaterSense. WaterSense plumbing products meet EPA criteria



for product performance while using at least 20% less water than federal water-efficiency requirements.

Some PMI members also are participating in Manufacturing Day, joining other manufacturers in opening their doors to the public and promoting all the good things the industry is doing, including creating jobs, producing innovative and energy-efficient products and supporting local economies. While October 5 is the official date this year, PMI members can have a Manufacturing Day event at any time of year.

This month, PMI member Viega LLC is hosting public tours of its manufacturing campus, including its extrusion, molding, metal fitting and logistics divisions, as well as a job fair and lunch.

Produced annually by the National Association of Manufacturers and supported by manufacturers across the U.S., Manufacturing Day also gives manufacturing companies a platform to coordinate efforts to address the current and future skilled labor shortage and to connect with and encourage youth, women and people of diverse backgrounds to join the industry.

Several resources on the Manufacturing Day website ([mfgday.com](http://mfgday.com)) can help promote an event, including a promotion kit, host media guide, and event logos to use on marketing materials. In addition, anyone can tweet to @MfgDay on the event’s Twitter page ([twitter.com/mfgday](https://twitter.com/mfgday)).

PMI members and other companies can continue promotional efforts after their events using follow-up materials ([bit.ly/2xPRVVE](http://bit.ly/2xPRVVE)), including a survey, a page to share success stories, and a page to share event photos.

Also, throughout October, colleges and universities are celebrating Campus Sustainability Month around the world. They are running events, including service projects, waste audits and sustainability pledge drives, to engage and inspire students, teachers and others to become sustainability change agents. This year’s theme: Nonpartisan Engagement and the November Election, is highlighting ways to break through barriers to student participation in elections. Learn more from the Association for the Advancement of Sustainability in Higher Education on its website ([bit.ly/2fUKlnB](http://bit.ly/2fUKlnB)).

We want to hear from you! Please tell us what your company’s plans are for Manufacturing Day and we will feature details in the November issue of Ripple Effect.

**ENERGY EFFICIENCY DAY**  
Save energy. Save money.

October 5

# PMI Creating Templates About Economic Impact Data

By Ray Valek, PMI Communications Team, Valek & Co.

As reported in last month's Ripple Effect, PMI has created an economic impact page ([safeplumbing.org/advocacy/economic-impact](http://safeplumbing.org/advocacy/economic-impact)) on the PMI website, where PMI members can create reports and tables tailored by state, congressional district, or state senate or house district.

Over the next few weeks, PMI will be taking this initiative a step further by creating more templates and other materials that PMI members can use to communicate the economic importance of the plumbing manufacturing industry to media and policymakers.

These templates will include a localized news release, letter to policymakers, and instructions on how to tailor them. They will be packaged in a folder along with a brochure about the economic impact the plumbing manufacturing industry is making and PMI's role in promoting and supporting it. These materials also will be available in the members only section of the website.

As part of the Outreach/Communication Track at the PMI Conference, the templates will be explained and questions about how to use them most effectively will be answered.

The plumbing fixture and fittings industry contributes \$85.5 billion dollars to the American economy – about four-tenths of 1% of America's gross domestic product, according to the PMI study.

Plumbing manufacturers, along with their wholesale and retail partners, generate more than \$34 billion dollars in direct annual output, providing over 193,000 jobs and more than \$10.3 billion dollars in wages. Furthermore, the industry supports more than 271,300 jobs through its supplier and induced impacts, with a payroll of over \$15.5 billion dollars.

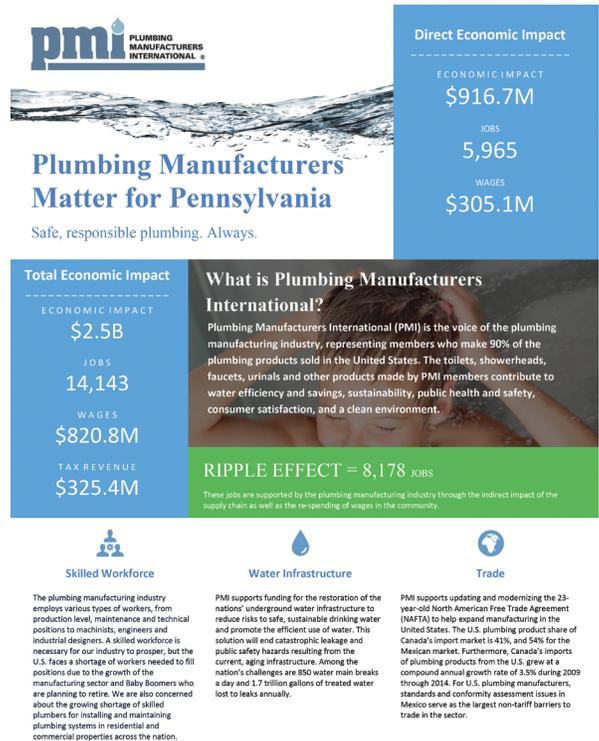
These figures can be localized on the website and communicated with the

assistance of the templates PMI will be providing.

An FAQ on the PMI economic impact page explains the meaning of the terms used on the reports and tables. **Direct impacts** are those jobs, wages or economic output solely attributable to firms involved in the production, importation/wholesaling, and retailing of plumbing and plumbing-related products. These are the jobs one can count at a warehouse or manufacturing facility, for example.

**Supplier impacts** define effects that result from plumbing manufacturing firms purchasing goods and services from other industries. When a PMI member pays rent on a warehouse to its landlord, or when it hires a trucking company to deliver products, the member is creating supplier impacts in the real estate sector or trucking sector of the economy.

**Induced impacts** occur when employees and business owners re-spend income. For example, when people work for a plumbing manufacturing firm, or for firms that supply goods and services to the industry, they receive wages and other payments. This money is recirculated through their household spending, inducing further economic activity. Examples of induced effects are the jobs created in a diner located outside of a manufacturing facility gate where employees purchase sandwiches for lunch, or at the gas station where they purchase fuel for their commute, or even in neighborhoods, where workers purchase houses, go to restaurants or visit the movie theater.



*A report like this one can be created by state, congressional district, or state senate or house district. The report also provides a brief summary about what PMI does, as well as about the economic importance of skilled workforces, water infrastructure funding, and free trade agreements.*

John Dunham & Associates use **output** in their models as a general measurement of economic impact. In general, output represents the value of industry production for the year calculated in terms of producer prices. In the case of firms involved in the manufacture of plumbing and plumbing-related products, output is a close proxy for sales.

For the importation/wholesaling and retailing of plumbing and plumbing-related products, output is a measure of value added. The cost of products purchased by distributors and flowing through the wholesaling process is not included as part of output. One way to look at it is the output (for wholesaling and retailing firms) is total sales revenue minus its cost of goods sold. This is similar to the wholesale or retail markup on a product.

## PMI Expresses Disappointment with Tariffs Decision

By Ray Valek, PMI Communications Team, Valek & Co.

PMI expressed disappointment on behalf of its members with the decision by the Trump Administration and the United States Trade Representative (USTR) to impose tariffs of 10% on more than \$200 billion worth of Chinese imports, including plumbing-related products and components.

“Imposing tariffs unnecessarily penalizes plumbing fixture and fittings manufacturers, their employees, and the American consumer,” stated PMI CEO/Executive Director **Kerry Stackpole** on Sept. 18. “Ultimately, the American consumer will pay the price of new tariffs, which are effectively taxes that will hurt job creation in the commercial development, residential construction, retailing, and the home improvement industry.”

He added that the tariffs risk offsetting the benefits of last year’s tax cuts for American manufacturers, their workers and American consumers. “The 10 percent duties on plumbing fixtures, fittings, and related plumbing com-

ponents will result in higher costs for consumers, significant supply chain disruptions, and a negative impact on U.S. growth and jobs.”

PMI represents nearly 40 plumbing manufacturers that produce plumbing products in facilities located in more than 30 states. These products are distributed and sold in every state in the nation. These manufacturers directly employ more than 193,000 U.S. workers and pay \$10.3 billion in direct wages within the U.S.

On Aug. 23, Kerry testified to the USTR ([bit.ly/2MzklgQ](http://bit.ly/2MzklgQ)) on the adverse impacts the tariffs would cause within the plumbing manufacturing industry and U.S. economy. The number of objections to the duties raised during this USTR hearing speaks volumes about the damage the tariffs will cause. More than 350 witnesses from a broad cross-section of U.S. businesses testified, and more than 6,100 comments were submitted to the docket.

## The Future of Change

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And now it’s MOOC – massive open online courses offered by leading colleges and universities such as MIT, Harvard, George Washington University, Rice, Emory, Brown and others. While still in its infancy, MOOC certainly suggests investments in “bricks and mortar” may be coming to an end. MOOC proffers a dramatic rise in quality, diversity and depth of educational content not seen outside the walls of the Ivy League ever.

With educational innovation as a backdrop, this fall’s 44th PMI annual meeting of the membership in Litchfield Park (Phoenix), Ariz., will be unlike any PMI Conference in recent past. From day one’s exploration of the future with **Jack Uldrich**, to the extraordinary lead-

ership of emcee **Thom Singer**, and the introduction of two new panel presentations with media leaders and executives from the home building industry – we will be going where no PMI Conference has gone before. That’s change worth adapting to along the way.

Change from the outside. Adaptation. Small victories. Innovation. And now, change from the inside. It’s worth pondering your own organization’s future in the context of both types of change. It’s also worth thinking about the ways in which current business models no longer fit our collective futures. Bring your sense of mindfulness, awareness and imagination to bear on what’s to come. Be part of the future. See you in Phoenix.

## 2018 PMI LEADERSHIP

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