



NATIONAL
COIL COATING
ASSOCIATION

Coil Lines

A Publication for the National Coil Coating Association

In This Issue

P1-2 NCCA News

P3-6 Spring Meeting Preview

P7 News from Legal Counsel

P8 Steel Supply Struggle

New Strategic Plan Coming

The NCCA board is developing a new strategic plan to guide the association. The board will meet in July in Chicago to review the status of NCCA and plot a course for the future.

The association developed a strategic plan several years ago, and many of the objectives from that plan have been achieved successfully.

To assist the board in developing a plan, all members will receive a survey after the April meeting. Please complete the survey and provide your thoughts about the industry and the future direction of NCCA. ●

New Management for NCCA

On December 1, 2003, the National Coil Coating Association moved its headquarters from Chicago, Ill., to Cleveland, Ohio.



NCCA is now managed by Thomas Associates, Inc., a full-service association management firm founded in 1913 that specializes in industrial associations in the manufacturing sector.

All communications to NCCA should be directed as follows:

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Better Statistics Coming

NCCA has embarked on a new initiative to expand the value of the association's statistical program. Specifically, we seek to include paint shipments in upcoming reports.

The Statistics Committee believes this initiative will provide a more comprehensive and accurate perspective of the coil coating industry.

NCCA officers recently discussed the statistics program with Ducker Worldwide, the firm that prepares annual and quarterly industry-wide coil coating shipments reports. These reports offer valuable insight into coil coating shipments by end-use segment.

The cooperation of NCCA members will drive the ultimate quality of the research, and thus its effectiveness in serving member companies' needs.

Ducker will present information regarding shipments and prospects for the coil coating industry at the April meeting in Las Vegas. ●

Mark Your Calendars

April 14-17, 2004
2004 Annual Meeting
Caesars Palace
Las Vegas, Nev.

Sept. 29-Oct. 1, 2004
2004 Fall Technical Meeting
Westin O'Hare Hotel
Rosemont, Ill.

May 7-10, 2005
2005 Annual Meeting
Sanibel Harbor Resort and Spa
Ft. Myers, Fla.

Sept. 21-23, 2005
2005 Technical Meeting
Renaissance Chicago Hotel
Chicago, Ill.

Mission: To promote the growth of coil coated products.

Vision: NCCA is a unified organization providing the resources and leadership for coil coated materials to be the product of choice.

NCCA Toolkit Featured



Modern Metals magazine recently published an article on the NCCA Tool Kit on Cut Edge Protection Using Prepainted Sheet. The article, "Just the Facts," appeared in the January 2004 issue and is available on the NCCA Web site.

An article on the current state of the steel industry will be published in the April 2004 issue of Modern Metals. Modern Metals interviewed NCCA members to obtain insight from companies that are affected by the steel industry.

The NCCA marketing committee continues to explore opportunities to promote the industry, the association, and NCCA publications and benefits. ●

Hexavalent Chromium Survey Released

The results of the hexavalent chromium survey are now available to members on the NCCA Web site.

The compiled survey contains the results of a questionnaire that was distributed to coil coaters. The questionnaire sought data concerning each facility's use of hexavalent chromium and possible exposure to plant employees. ●

Waste Minimization Booklet Revised

The NCCA Waste Minimization booklet has been revised. Now entitled, "Opportunities for Pollution Prevention in the Coil Coating Industry," the booklet is a comprehensive review of the coil coating process.

The booklet contains five main sections.

- (1) Section 1 discusses the incoming steel coils and oil management as well as various water issues present in the wet section.
- (2) Section 2 focuses on waste treatment technologies for both water and sludge.
- (3) Section 3 covers the coating, curing, and strip cooling process with issues ranging from recycled solvent to doctor blades.
- (4) Section 4 provides operating practices commonly used in the industry to reduce the environmental impact of the process.
- (5) Section 5 focuses on pollution prevention activities for VOCs in the coating process.

NCCA members may freely download the booklet from the NCCA Web site. ●



2003 Safety Report to Be Published

Collection of data for the 2003 Safety Report has begun. The report, based on accident-related data collected from NCCA members, will be issued later this year.

NCCA has been collecting this information for the last few years. The data helps members benchmark themselves against other members, and provides a means of measuring safety in the coil coating industry against other industries.

If you have not provided your company's data to the association office, please do so. When you submit your company's data, your company will be considered as a candidate for the safety award. The winner of the safety award program will be announced at the 2004 fall meeting. ●

President's Message



The Event of the Year

Our 2004 Spring Meeting in Las Vegas from April 14-17 couldn't be better timed. So many intriguing national developments are converging this spring.

Look at this list:

1. The steel industry is now experiencing significant volatility, and some are calling it "the perfect storm."
2. Conventions, meetings, and corporate travel are beginning to rebound, and Las Vegas is arguably the most dazzling travel destination on earth.
3. The 2004 U.S. presidential election campaign is already in full swing, battle lines are being drawn around several hot issues that affect our industry.
4. NCCA is under new management, and we're developing a new strategic plan for the future.

With all this excitement buzzing around our industry, we expect excellent attendance at our big Spring Meeting at Caesars Palace.

Our theme is "Innovation: Your Best Bet for Success." Our lineup of presentations gives you rich opportunity for expanding your knowledge base and bringing home new insights for your companies.

See the full schedule of presentations on pages 4-6. If you haven't made your reservations yet, pick up the phone now. This meeting is not to be missed.

Besides our impressive educational program, Caesars Palace is a world-renowned site with incomparable facilities and casinos. And the Celine Dion concert, an NCCA group event on Friday night, is considered one of the top shows anywhere.

You would expect your association president to hype our Annual Meeting. But with all that's happening, can you blame me?

I look forward to seeing you there.

Charles Parks

Charles "Chuck" Parks
NCCA President



Charles Parks



NCCA Spring Meeting: General Session Presentations

A Closer Look

Innovation: Your Best Bet for Success

April 14-17, 2004
Caesars Palace
Las Vegas, Nevada



Thursday, April 15, 8:45 a.m.

For All the Marbles

Presenter: John Russell



Russell

John Russell, well known for his dynamic and thought-provoking presentations, will present his vision of the future consumer. Noting the changing trends and future buying habits of tomorrow's more demanding consumers, Russell will help you develop marketing strategies designed to attract these customers.

Russell is president of a consulting group in Columbus, Ohio. He holds an M.B.A. from the Ohio State University and was chief communication officer for Banc One Corporation.

Thursday, April 15, 9:45 a.m.

Metal Roofing Alliance Update

Presenters: Tom Black and Bill Hippard



Black

Hippard

Tom Black, executive director of the Metal Roofing Alliance (MRA), is a 20-year veteran of the metal roofing industry, with experience in product development, marketing, and consulting.

Bill Hippard is president of the MRA and a past president of the Metal Construction Association. He has 30 years of metals industry experience and is now vice president of sales at Precoat Metals.

Black and Hippard will report on the latest developments involving our strategic partnership with the MRA.

Thursday, April 15, 10:15 a.m.

Ducker Update

Presenter: Chris Fisher, Partner, Ducker Worldwide



Fisher

Chris Fisher excels in market profiling, segmentation, opportunity analysis, product positioning/launch, and competitive benchmarking. With a strong foundation in industrial market research, he recently completed a detailed analysis of the metal roofing market.

Fisher holds a B.S. in industrial business management from Purdue University and an M.B.A. in international economics from Indiana University.

Thursday, April 15, 11:00 a.m.

ECCA Update

Presenters: Paul Franck and Jean Lamesch



Franck

Lamesch

Get global! Gain some international perspective with this new report from the European Coil Coating Association.

Paul Franck is the secretary general of the ECCA, an organization that promotes the use of coil coated metal. Franck has extensive experience in sales and marketing. Jean Lamesch is general manager of flat coated and uncoated carbon steels of Arcelor, the world's largest steel company. He holds a Ph.D. in physical chemistry.

Friday, April 16, 8:00 a.m.

Implementing a Lean Manufacturing Strategy at Henkel

Presenters: Randy Clement and Brady Musson



Clement

Musson

Hear the inside story of how Henkel Surface Technologies transformed its manufacturing operations and assured sustainability.

Henkel first introduced lean manufacturing techniques in 1999 at their Warren, Mich., manufacturing site. Since then, lean manufacturing has been rolled out to six other facilities. Currently, Henkel is positioning itself for the introduction of the Six Sigma strategy for quality control.

Friday, April 16, 9:00 a.m.

LeanSigma® for Process Industries

Presenter: Bonnie Smith



Smith

Bonnie Smith is one of the world's leading consultants on lean manufacturing. Recognized as a dynamic speaker, Smith played a pivotal role in creating LeanSigma, the synthesis of lean principles and Six Sigma tools.

A West Point graduate, Smith was responsible for implementing both lean manufacturing and Six Sigma while employed at General Electric Engine Services and at York International. As a consultant, she has worked closely with companies such as Michelin, the HON Company, and Pella Corporation.

Friday, April 16, 9:45 a.m.

Product Development for Architectural Metals

Presenter: Rick Mowrey of Centria



Mowrey

A new-product introduction can directly affect your company's future. Hear how Centria, a coil coater for 40 years, has been successful at introducing new and innovative architectural metal products to the construction industry.

Rick Mowrey will review Centria's disciplined approach, highlight new-product failures and successes, and reveal key tips for NCCA members who want to grow through product development.

Friday, April 16, 10:45 a.m.

Design Process: Customer/Supplier Collaboration

Presenter: Robert Gray, Phoenix Group



Gray

A good customer/supplier relationship is the key to improved material selection, manufacturing process, product timing, and product design. So says Robert Gray, who provides engineering and consulting services for a team-based approach to lean manufacturing.

Gray has consulted for a wide range of automotive, appliance, and steel companies. He also spent 16 years with a major steel company specializing in automotive stamping plant throughput improvements.

Saturday, April 17, 8:00 a.m.

Driving Growth Through Innovation: How Leading Firms Are Transforming Their Futures

Presenter: Robert B. Tucker



Tucker

In this dynamic presentation, acclaimed author and consultant Robert Tucker will take you on a guided tour behind the scenes inside innovative Vanguard companies.

Based on three years of in-depth research of 23 companies, this presentation reveals their secrets for building innovation into a powerful source of growth, profits, and competitive advantage. Learn unconventional methods to turn innovation into a systematic process, and be stimulated to take action in your firm.

Saturday, April 17, 9:00 a.m.

Cool Roofs: Prime Time in California

Presenter: Peter Turnbull



Turnbull

California recently adopted code changes to make "cool roofs" a requirement for certain buildings! Peter Turnbull, chairman of the Cool Roof Rating Council (CRRC), will reveal what California's action means to our industry.

Peter Turnbull, an energy efficiency expert, has 23 years of experience in Pacific Gas and Electric's energy efficiency programs department. Turnbull holds two bachelor's degrees and a master's degree and has been an ASHRAE member for more than 10 years.

Saturday, April 17, 10:15 a.m.

Safety First - First in Safety, The AK Steel Story

Presenter: James W. Stanley, AK Steel



Stanley

Hear an expert insider's report on how AK Steel successfully turned around the company and transformed the firm into an industry leader in quality, safety, productivity, and profitability.

Jim Stanley joined AK Steel in 1996 after serving the Occupational Safety and Health Administration (OSHA) for nearly 25 years. He currently serves on the National Safety Council's board of directors. Last year, U.S. Secretary of Labor Elaine Chao appointed him to the National Advisory Committee on Occupational Safety and Health.



NCCA 2004 Annual Meeting Overview

Innovation: Your Best Bet for Success

Wednesday

April 14, 2004

9:00 a.m. – 7:00 p.m.
Registration

10:00 a.m. – 12:00 p.m.
Government Relations

1:00 – 3:00 p.m.
Technology Committee

3:00 – 5:00 p.m.
Coaters Membership

5:30 – 6:30 p.m.
New Member/1st Time
Attendee/Prospective Member
Reception

6:30 – 8:00 p.m.
Welcome Reception

Thursday

April 15, 2004

7:00 a.m. – 12:00 p.m.
Registration

7:45 – 8:45 a.m.
Guest / Spouse Meeting

8:00 – 11:45 a.m.
General Session

8:00 – 8:45 a.m.
Annual Business Update
Committee Updates

8:45 – 9:30 a.m.
For All the Marbles
John Russell

9:45 – 10:15 a.m.
MRA Update
Tom Black and Bill Hippard

10:15 – 11:00 a.m.
Ducker Update
Chris Fisher

11:00 – 11:45 a.m.
ECCA Update
Paul Franck and Jean Lamesch

Friday

April 16, 2004

7:00 a.m. – 12:00 p.m.
Registration

8:00 – 11:30 a.m.
General Session

8:00 – 9:00 a.m.
Lean Manufacturing
Brady Musson & Randy Clement

9:00 – 9:30 a.m.
LeanSigma® for
Process Industries
Bonnie Smith

9:45 – 10:45 a.m.
Product Development for
Architectural Metals
Rick Mowrey

10:45 – 11:30 a.m.
Design Process:
Customer/Supplier Collaboration
Robert Gray

6:00 – 7:30 p.m.
Evening Reception

8:00 p.m.
Celine Dion Concert

Saturday

April 17, 2004

7:00 – 10:00 a.m.
Registration

8:00 – 11:30 a.m.
General Session

8:00 – 9:00 a.m.
Driving Growth Through
Innovation
Robert Tucker

9:00 – 10:00 a.m.
Cool Roofs: Prime Time
in California
Peter Turnbull

10:15 – 11:30 a.m.
First in Safety: The AK Steel Story
Jim Stanley



Caesars Palace
Las Vegas, Nevada
April 14-17, 2004

Fall Meeting Sneak Preview

NCCA Fall Meeting
Sept. 28 - Oct. 1, 2004
Westin O'Hare
Chicago, Ill.

The Program Planning Committee is arranging a special workshop for Wed., Sept. 29, during our Fall Meeting. The workshop will provide information about the proper use and adjustment of DJH boring devices.

If your company uses or plans to use such a device, the workshop will provide valuable hands-on instruction for operators. More detailed information will be released soon. ●

NEWS from Legal Counsel

by Naomi R. Angel, Esq.

Watch for Revised Overtime Rules

Labor Secretary Elaine Chao has rejected congressional requests to delay imposition of revised federal rules governing overtime. The new rules designate who is eligible and ineligible for overtime.

The revisions are expected to go into effect by March 31, 2004, and should cause substantial changes in coverage. The revisions will be widely publicized.

The present rules (in place since 1975) clearly need an overhaul. Yet, the Labor Department appears to be understating the number of employees who will lose overtime under the revised rules.

Make sure your employees are aware of the changes, especially if they will lose overtime pay. The changes are likely to be an election year issue. ●

Have You Been "Crammed"?

A new fraud practice called "cramming" identifies a new billing scam. Crammers add small charges to telephone, credit card, mortgage, and other bills for services that were never authorized or performed.

Check all bills carefully. Fraud artists have many techniques for sneaking such charges onto legitimate bills and obtaining payments. These charges can be difficult to distinguish from justifiable charges for other new fees, taxes, and service charges. ●

Protect Your Laptop

If you're concerned about someone stealing your laptop computer, consider buying a new software program called "PhoneHome." The program enables personal computers to send out secret messages to show where they are being used. This is intended to allow you to locate and recover them.

A recent survey indicated 16 percent of computers were stolen while in transit – from cars, trade show exhibits, hotels, and airports.

Preserve the confidentiality of the information on your computer. Be aware of laptop thieves. Don't misplace your computer. The software seems like a small investment for the added protection (USD \$29.95, www.pcphonehome.com). ●

New E-mail Scam: "Brand-Spoofing"

A new scam sends you an authentic-looking e-mail that tells you that your credit card or account has expired. It asks you for updated credit card or account information.

Such messages are called "brand-spoofing" because they use images from legitimate vendors' Web sites. Appearing to be genuine, they induce you to give them your confidential information. The spoofer then uses your information to make purchases or for similar identity theft purposes.

Be immediately suspicious if you receive such a request. Do not respond. Save the message as evidence for regulatory or police authorities, and inform the vendor – by telephone – of the attempted information theft. Warn your staff too. ●

Naomi R. Angel, NCCA legal counsel, is with the Chicago law office of Howe & Hutton, Ltd. She can be reached at nra@howehutton.com.

This article is provided solely for informational purposes and does not constitute legal advice. If you have specific questions or concerns about a legal issue, consult your company's legal counsel.



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NATIONAL
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It All Starts With The Finish®

Steel Supply Struggle Hits Coil Coaters

Significant instability in the steel market will continue to affect the costs of steel in 2004. That's tough news for the coil coating industry, but it's the consensus opinion of several industry experts.

"Since December 1, 2003, and as every week goes by, the mills have been increasing pricing, adding surcharges, and cutting allocations," says Tom Claes, general manager of New Process Steel. "In the next few months, we see it getting worse before it gets better."

U.S. steel prices jumped about 30 percent in the first two months of 2004, according to the Wall Street Journal. When steel costs rise, prices tend to rise throughout the supply chain. "This is a highly competitive, thin-margin business," explains Bob Gifford, president of Interstate Steel.

Rising steel costs are one issue, but a steel shortage can present a worse situation. "Hopefully, a full-blown shortage is not in the cards, but it is a possibility," says Joel Mazur, managing partner of The Techs. "The steel industry is very vulnerable right now."

That vulnerability springs from several causes.

1. Increased Domestic Demand. "Domestic demand has been increasing over the past year, and the steel industry hasn't been building adequate inventories to prepare for this demand," adds Mazur.

2. Increased Worldwide Demand. China, in particular, currently has a "voraciousness for the importation of raw materials," says Cynde Vidas, general manager, sheet product sales at Weirton Steel.

And right now, China is a preferred customer over the U.S. "With the declining value of the dollar, the United States is not an attractive customer in the world market," adds Claes.

3. Fewer Suppliers. The number of steel company bankruptcies and consolidation in the last 3-5 years is unprecedented. With fewer suppliers,

"We're getting to a point where quality, delivery, and service are paramount. Price is almost a non-issue right now," adds Mazur.

Weirton Steel, for example, filed for Chapter 11 bankruptcy in May 2003. In Feb. 2004, Weirton announced it agreed to sell its assets to International Steel Group.

4. Raw Material Shortage. Raw materials, such as coke, iron ore, scrap, and pig iron, are in short supply, and their cost has risen dramatically. Mazur says that, in Feb. 2002, scrap was selling for \$65 per ton. But in Feb. 2004, it was up to \$300 per ton. "No one can withstand these kinds of cost increases in raw materials," he adds.

With all these problems converging at the same time, "It's kind of a perfect storm scenario," says Gifford.

The Future?

Vidas believes that, as long as two of the above conditions exist, the steel supply struggle will continue.

Mazur adds, "Eventually, the situation will stabilize, but at higher prices."

"The constrained market will probably be with us for the balance of this year," says Gifford.

"Really, everything is affected, and nothing is easy to find," says Claes. "And the bigger problem is – it all changes every day." ●

"No one can withstand these kinds of cost increases in raw materials."

"In the next few months, we see it getting worse before it gets better."