

# AVEM Newsletter

The Quarterly Publication for the Association of Vacuum Equipment Manufacturers

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## AVEM Elects New Board of Directors and Officers

The Annual Business Meeting of the Association of Vacuum Equipment Manufacturers (AVEM) was held October 21, 2008, at the Sheraton Boston. During the meeting, members affirmed the election for six positions on the AVEM Board of Directors.

### Term Ending 2009

There were two vacancies on the Board for directors for the Class of 2009. Steve Barker and Michael Delahunt were elected to fill those terms.

Barker is the vice president of sales and marketing for Vacuum Research Corporation (VRC). He joined VRC in September 2007 and

has 25 years executive sales and marketing management experience in the semiconductor and vacuum



Steve Barker

industries with Solid State Measurements Inc., Semi-Test Inc., Veeco Instruments Inc., and Vacuum Instrument Corporation.

Steve has been an AVEM Board member for the past three years and was an AVEM Statistics Committee member for three years prior to joining the Board. Steve is the current chairman of the AVEM Statistics Committee.

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## AVEM Launches Newsletter and Seeks Member Company News and Profiles

With this issue, AVEM is launching a new way for members to promote their companies, employees and products. The newsletter will be electronically published quarterly and distributed to all members. It will also reside on the association Web site.

The newsletter will feature association news, and important updates from U.S. government agencies. More importantly, the newsletter will highlight member company news.

AVEM wants to help member companies distribute their news and your active participation in future

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# A Message from the AVEM Chairman

It is that time of the year when we say “thanks” for your company’s involvement in AVEM – as demonstrated by your membership dues and by your participation in the AVEM Resource Guide, AVEM meetings and on the AVEM on-line product guide. It is through your active participation that AVEM better serves manufacturers of vacuum equipment.

During this year, AVEM has experienced growth and improvements.

- AVEM launched a new Web site that prominently features the member products and services directory and member press releases.
- AVEM hosted a successful Annual Meeting that provided economic information and networking opportunities to more than 35 members.
- AVEM’s Board of Directors hired a new management company experienced in managing manufacturing trade associations. The new company provides a broad skill set to help AVEM grow its membership and programs.
- AVEM launched “Ask AVEM,” an industry listserv where companies can network to get the answers to questions that affect their business.
- Members who chose to participate received worldwide vacuum market statistics through the International Statistics on Vacuum Technology (ISVT) program.

## Company Involvement Creates Increased Value

With the economy in the news every day and the difficulties that all industries are experiencing or anticipating, I want to reflect on the value of association membership. There is comfort in knowing that we are “all in this together,” or at least the “smart” companies are in this together. Membership in AVEM provides tools and resources to help companies weather the bad economic times and grow during up-turns.

One of the most important resources AVEM offers its members is the ability to network with peers. AVEM members can seek answers to questions that affect their business through the “Ask AVEM” industry listserv. Questions can range from human resources to finding resources to venture into a new market. I urge members to take advantage of this networking tool by emailing your questions to [avemexecsec@avem.org](mailto:avemexecsec@avem.org). After the question is reviewed, it will be sent to all members for their input.

Because of your membership in AVEM, you receive opportunities to participate in extracurricular (pay-as-you-go) activities. This year, I participated in the Product Liability Prevention & Defense (PLP&D) Group Winter Seminar where I gathered resources to help my company prepare itself to prevent product liability issues. PLP&D produces two or three seminars a year and all AVEM members are invited

to participate. The first time a company sends a representative to the meeting they will receive the PLP&D member registration rate.

Because of my AVEM membership, I also accepted the invitation to participate in the Multi-Industry International Trade and Export Assistance Seminar that was organized by AVEM’s management company, Association and Society Management International, Inc. (ASMI). Moreover, I was invited to provide my company’s case study on exporting. (See the article on page 7.) Through my participation, I gained new contacts at the Department of Commerce headquarters in Washington, D.C., and garnered ideas from other company and association executives. Plans are underway to produce future seminars, and I hope to see many of you in attendance.

## Collective Approach Increases Cost-Effectiveness for Exhibits

In October at the AVS Exhibit in Boston, AVEM took its first steps toward helping members share costs of exhibiting. AVEM offered to hand out member company literature in the AVEM booth for the nominal fee of \$300. Five companies took advantage of this offer. For companies that were exhibiting at the event, the materials distributed by AVEM pointed attendees to their booths. Other companies wanted a presence

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## New Board and Officers Elected

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*Michael Delahunt*

Michael Delahunt is the global general manager for Dif-fuse Vacuum with Ed-wards Va-cuum. Edu-cated in marketing and business law at the University of Strathclyde in Scotland, he joined Edwards High Vacuum as a graduate trainee in 1989. Delahunt has held a number of vacuum sales and sales management roles within Edwards, both in the United Kingdom, and since 1998 in the United States.

### Term Ending 2010

There was one vacancy on the Board with a term ending in 2010. Paul Donovan, vice presi-dent of mar-keting for A&N Cor-poration was elected to fill the term. Since 2002,



*Paul Donovan*

he has been responsible for expanding A&N Corporation’s global sales and distribution channels, overseeing advertising, tradeshow, and e-commerce programs, and developing new product offerings.

Prior to Donovan’s position with A&N, he was co-founder of Advertising Science, an agency specializing in the advertising and

marketing of scientific, medical, biotech and high-tech products and services. Donovan has been an AVEM director since 2002, was appointed chair of the Board in 2008, and previously served as AVEM vice chair, AVEM treasurer, and AVEM Statistics Committee chair. He is a member of the International Statistics on Vacuum Technology (ISVT) Working Group. Donovan holds a B.S. in Behavioral and Social Science from the New York Institute of Technology.

### Term Ending 2011

There were three positions available in the AVEM Board of Directors Class of 2011. Elected to fill those positions were Jennifer Hammond, Ron Hooper, and Dennis Pellegrino.

Jennifer Hammond is marketing manager for Brooks Automation’s Polycold® product line, which is comprised of ultra-low temperature refrigeration systems that serve a broad range of markets within the vacuum industry – from semiconductor, optical networking, and flat panel display to web, decorative and ophthalmic coating. Hammond has more than 12 years of marketing experience, and has served as chair of the AVEM Marketing Committee for the past two years. Additionally, she has participated on



*Jennifer Hammond*

the AVEM Statistics Committee and the ISVT Working Group.

Ron Hooper is the president of Huntington Mechanical Laboratories. Huntington has been a manufacturer of vacuum components used in the research, thin film coating and semi-conductor va-cuum markets since 1969. From 1981 to 1999, Hooper held a number of positions within Hunt-ington, includ-ing planner, production controller and purchasing manager. From 1999 to 2002, he was employed by Meivac as a senior buyer. He returned to Huntington in a marketing position, before being made general manager in 2004. Hooper became president in 2005.



*Ron Hooper*

Dennis Pellegrino is the president of Oerlikon Leybold Vacuum USA, Inc., a lead-ing supplier of vacuum solutions to the industry. He is re-sponsible for sales and service operations through-out the Americas. Pellegrino joined Oerlikon Leybold Vacuum as the vice president of sales and service in September 1997. Prior to joining



*Dennis Pellegrino*

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## AVEM Member News

Members are invited to share their company news with other members. Send your press releases to [avemexecsec@avem.org](mailto:avemexecsec@avem.org) and they will be placed on the AVEM Web site in the Newsroom and also summarized in the *AVEM Newsletter*. Below is a summary of recent additions to the AVEM Newsroom. To view the complete press releases, visit [www.avem.org/Newsroom.htm](http://www.avem.org/Newsroom.htm).

### CeramTec North America Announces Eddie Lu as Hermetic Sales Engineer in China

In September, Eddie Lu joined CeramTec North America as its hermetic sales engineer in China. Before joining CeramTec, Lu served for four years as an account manager for Suzhou Electronics Co., Ltd, a sales center for Ireland's Eletronics Product Services. Lu also has been a sales engineer and account manager for Camtek Suzhou Col, Ltd., and an SMT engineer for Solectron Technology Company, Ltd. He is a graduate of Luo Yang Institute of Technology with a B.S. degree in Chemical Engineering.

### Mark Duchnak Joins CeramTec North America as National Sales Manager

CeramTech announced that Mark Duchnak joined the company as the national sales manager. Before joining CeramTec, he worked for seven years with Morgan Advanced Ceramics, Inc., as sales and business development manager. Prior to that, Duchnak was district sales manager with Martin Marietta Magnesia

Specialties, Inc. He is a graduate of The Ohio State University with a B.S. degree in Ceramic Engineering and an MBA in Business Administration.

### CeramTec Signs Contract to Supply Key Technical Ceramics for Manufacturing Petrochemical Derivatives

CeramTec North America Corporation, a major supplier of

advanced technical ceramics and a leader in hermetic products, announced Sept. 30, 2008, the signing of a strategic contract with Rockwood Holdings, Inc., a U.S.-based company, to supply key technical ceramics for manufacturing petrochemical derivatives. The multimillion dollar manufacturing agreement covers a period of 10 years with the possibility of future  
*(continued on page 5)*

## Board and Officers Elected

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Leybold, he was division general manager for the Process Equipment Division of Ketema, a supplier of batch liquid-solid separation equipment. Pellegrino holds a B.S. degree in Chemical Engineering from Polytechnic University of New York.

### Additional Board Members

The Board includes three additional members who were previously elected to serve terms. Charles Fulmer, a Teledyne general manager representing Teledyne Hastings, is serving a term that will end in 2009. Serving terms that end in 2010 are Cynthia A. Boyd, director of sales and marketing, HPS Product Group, MKS Instruments, Inc., and Kathy Theiss, key account manager and marketing leader at GNB Corporation.

### 2008-09 AVEM Officers Elected

On December 8, 2008, the newly-elected AVEM Board of

Directors met, and per the AVEM Bylaws, elected the 2008-09 officers of the association.

Paul Donovan (A&N Corporation) was elected to continue as AVEM chairman. Dennis Pellegrino (Oerlikon Leybold Vacuum USA, Inc.) will continue to serve AVEM as the vice chairman. Cynthia Boyd (MKS Instruments, Inc.) was elected to serve as treasurer. Dawn M. Shiley (AVEM executive director) was elected to serve (ex officio) as the AVEM secretary.

### Contact Your Board and Officers

The Board of Directors and Officers are listed with all contact information on the AVEM Web site at [www.avem.org/Leadership.htm](http://www.avem.org/Leadership.htm). Please contact your leaders and share suggestions for new AVEM services or improvements.

## AVEM Member News

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extensions. The initial phase, known as the 3-C project, began immediately and targets a manufacturing start-up slated for mid-2009.

### MDC Vacuum Products, LLC Announces New Senior Management Team

On Oct. 21, 2008, MDC Vacuum Products, LLC announced the appointment of Luke Marusiak as CEO and member of its Board of Managers. The company also appointed Tom Kim as CFO. Marusiak and Kim have extensive experience in achieving global corporate growth, strong profitability and operational excellence.

Prior to joining MDC, Marusiak spent nearly five years as COO of Intevac, Inc. At Intevac, he led an operations team that delivered more than 600 percent revenue growth, expansion of manufacturing and sales into Asia, and a doubling of gross margins. Prior to Intevac, Marusiak spent 13 years with Applied Materials, Inc. Marusiak is a U.S. Army and Desert Storm veteran. He holds a B.S. in Electrical Engineering from Gannon University and a M.Sc. in Teleprocessing Science from the University of Southern Mississippi.

Kim has more than 19 years of senior level experience in global financial management and accounting with a proven track record of profit improvement and expense management. Prior to joining MDC, he spent approximately 13 years with Applied Materials, most recently as vice president of finance, responsible for global finance and business administration. Prior to Applied Materials, Kim held finance

management positions at Cypress Semiconductor Corporation and Siliconix, Inc. He holds a B.A. in Economics from the University of California, Berkeley, and an M.S. in Business Administration from San Francisco State University. Kim is a Certified Public Accountant.

### Verity Instruments Releases Super High Performance Spectrograph

Verity Instruments announced the release of their Super High Performance Spectrograph, the SD1024FH. The SD1024FH optimizes signal-to-noise performance via increased optical throughput, a proprietary data acquisition scheme, novel signal processing and superior system noise control.

The SD102FH spectrograph is designed for the most demanding semiconductor process control applications, such as very low exposed area contact etch, ion beam etch, and photomask etch. The SD1024FH is supplied with Verity's SpectraVies™ application software, which is based upon the company's 28 years of experience in endpoint detection and process control.

## AVEM Newsletter Launched

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issues of the *AVEM Newsletter* is encouraged. Please add [avem\\_execsec@avem.org](mailto:avem_execsec@avem.org) to your news release lists. We specifically are looking for information on:

1. People on the Move
2. New Products
3. Mergers and Acquisitions

Your press releases will be added to the AVEM Web site and also will be summarized in the quarterly e-newsletter.

### Member Company Profiles Needed

Future newsletters will include member company profiles. If you would like to have your company profile in the newsletter, contact AVEM Executive Director Dawn M. Shiley at [avemexecsec@avem.org](mailto:avemexecsec@avem.org).

We welcome your comments on this newsletter and suggestions for future newsletters or other member services. Help AVEM help you by providing suggestions today.

### AVEM Newsletter

The *AVEM Newsletter* is published quarterly for AVEM members. The publication strives to keep members abreast of association activities and opportunities, highlight member company news, and provide information on useful business tools.

Members are encouraged to submit company press releases and provide member company business profiles.

For more information about the *AVEM Newsletter*, contact the editor or AVEM Staff.

#### Editor

**Dawn M. Shiley**

**Association of Vacuum  
Equipment**

**Email: [avemexecsec@avem.org](mailto:avemexecsec@avem.org)**

## Chairman's Message

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at the show but did not have the resources allocated. Those companies used the AVEM booth as their home base by putting their literature in the booth.

AVEM would like to continue this program in 2009. Tell us what shows you want us to attend, and we will explore the options. We also will explore the possibilities to provide cost-saving AVEM pavilions at future shows. Are there international shows where you think AVEM should explore the concept of hosting a pavilion to offer economies of scale and provide common business and hospitality services? This collective approach to exhibiting affords members a cost-effective presence, and the pavilion's mass draws visitors.

### Looking Ahead to 2009

As we move into a new year, I encourage AVEM member executives who are not active association

members to make these New Year's Resolutions:

- Resolve today to take advantage of everything that your association membership offers.
- Join a committee and help create programs that will benefit you and your company.
- Participate in the ISVT program to receive worldwide statistics on your product lines.
- Take advantage of the extracurricular meetings and seminars.

Your 2009 membership dues invoice was sent to your earlier this month via email. As we explained in the email, there is a slight dues increase for the year. You spoke and we heard you tell us that there were too many fees. Therefore, we rolled the fees an average company pays into the dues structure. In 2009, you will no longer be asked to pay for services that are a usual part of most association memberships.

Fees have been eliminated for a logo and link on the Web site, updating your products and services list in the Resource Guide and on the Web site, and updates to your company's page on the AVEM Web site. In addition, there will no longer be a limit of changing your AVEM Web page one time a year. This will become an unlimited service. Posting employment opportunities on the AVEM Web site and company press releases will be at no cost to you. Only banner advertising on the Web site and print advertising in the Resource Guide will remain as additional fees.

I encourage you to pay your 2009 dues today, become more involved, and direct the association to provide services of value to you. Association membership is a valuable business asset, and the value of your company's AVEM membership will increase significantly with your participation. Have a happy and safe New Year!

## Department of Commerce Launches Web Site Resource for Economic Recovery

The Department of Commerce (DOC) has launched [EconomicRecovery.gov](http://EconomicRecovery.gov) as a resource for the American people to help them keep their homes, find jobs, and protect their savings. In addition, resources are provided to small businesses.

Recognizing that small business is the backbone of the U.S. economy, the Web site provides links to information that will help during these trying financial times. Links are provided to: loan programs; training and mentoring programs to meet business challenges; contracting opportunities; programs to grow businesses overseas; and much more.

Links also are provided to government Web sites that will assist businesses: White House; Treasury; Commerce; USDA; Labor; SBA; and FDIC.

For information on the current economic crisis and assistance that is available, visit [www.EconomicRecovery.gov](http://www.EconomicRecovery.gov).

# Manufacturers and Association Representatives Gather Valuable Export Assistance Information at AVEM-Supported Seminar

“We are the government and we are here to help” was the message to more than 25 industry and association executives gathered in Washington, D.C., for the Multi-Industry International Business Services and Export Assistance Seminar held Dec. 9-10, 2008, at the National Association of Manufacturers. AVEM was a cooperating association for this event.

The seminar was co-sponsored by the Process Equipment Manufacturers Association, the American Textile Machinery Association (ATMA) and the Metal Powder Industries Federation (MPIF). Other cooperating associations were AMT-The Association for Manufacturing Technology, NPES – The Association of Suppliers of Printing, Publishing and Converting Technologies, The Society of the Plastics Industry (SPI) and the Wood Machinery Manufacturers of America (WMMA).

More than 14 speakers from association, industry and government provided insights to help companies with exporting solutions. AVEM Chairman Paul Donovan (A&N Corporation) participated in the seminar and was featured on an industry panel. Speaker highlights are provided in this article.

## DOC’s International Trade Administration and Related Government Programs

Brad Hess, manager of the Department of Commerce’s (DOC) Market Development Cooperator Program provided a roadmap to U.S. government export programs. The key document for all exporters or



*L to R: Brad Hess, manager, Market Development Cooperator Program, Department of Commerce, and Paul Donovan, AVEM chairman and vice president, marketing, A&N Corporation, confer during the Export Assistance Seminar. Hess provided an overview of Commerce’s services for manufacturers, and Donovan presented his company’s case study and examples of how they have used Commerce’s services.*

companies starting to export is the *Export Programs Guide: A Business Guide to Federal Export Assistance* (<http://trade.gov/media/publications/abstract/epg2006desc.html>). “This guide is the U.S. government’s most comprehensive and widely distributed export resource,” stated Hess. It contains a listing of all federal government programs that aid

U.S. companies in exporting their goods and services around the world.

Nineteen different agencies have united to offer the publication and the many programs to help U.S. firms succeed in the global marketplace. Hess explained that these agencies comprise the Trade Promotion Coordinating Committee (TPCC) that develops a National Export Strategy (NES) and programs to help achieve the goals. The priority markets for the NES are China, India and Brazil. Hess acknowledged the current and impending difficult economic times and noted, “Now is not the time to stop exporting.” He encouraged companies to visit [www.export.gov](http://www.export.gov) and [www.trade.gov](http://www.trade.gov) for assistance and programs to successfully grow their businesses through foreign exports.

## Web-Based International Business Resources

Barney Lehrer, vice president of FITA On-Line (Federation of International Trade Associations) highlighted major resources for conducting international business on the Internet. Three major resources identified are:

- The FITA Web Site International Trade/Import-Export Portal provides importing and exporting links. ([http://fita.org/webindex/browse.cql/Entering\\_International\\_Markets/Starting\\_in\\_Importing\\_and\\_Exporting](http://fita.org/webindex/browse.cql/Entering_International_Markets/Starting_in_Importing_and_Exporting))

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## Export Assistance Seminar

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■ Export.gov and BuyUSA.gov provide global listings of trade events, international market research, an e-commerce toolbox and practical tools to help with every step of the export process. ([www.export.gov](http://www.export.gov))

■ GlobalEdge provides country insights, global resources and market potential indicators for emerging markets. (<http://globaledge.msu.edu>)

Lehrer discussed B2B marketplaces, which he described as online markets where companies can exchange information, do business, and collaborate with each other. He noted that “you can find an e-marketplace for almost any industry.” Horizontal marketplaces include the FITA Trade Hub ([www.tradeleads.info](http://www.tradeleads.info)), eMarketServices ([www.emarketservices.com](http://www.emarketservices.com)) which provides knowledge and information about eMarkets in a variety of worldwide industries, Alibaba ([www.alibaba.com](http://www.alibaba.com)), and Global Sources ([www.globalsources.com](http://www.globalsources.com)).

Vertical marketplaces usually provide information for only one industry. Metal Suppliers Online ([www.suppliersonline.com](http://www.suppliersonline.com)) and Machine Exchange, a marketplace for new and used machinery ([www.machineryexchange.com](http://www.machineryexchange.com)) are examples of vertical marketplaces.

Besides the usual directories that are found online (Kompass, Thomas Global Register, Europages and Business.com), companies are turning to the Internet to conduct international market research. The U.S. Commercial Service provides commercial guides at <http://www.buyusainfo.net/adsearch2.cfm>. Useful statistics are available on Trade Stats Express at [www.tradestatsexpress.gov](http://www.tradestatsexpress.gov).

### Practical Programs from the Department of Commerce

Richard Ryan, trade association liaison with the U.S. Commercial Service and Rebecca Balough, commercial officer in the Virginia Export Assistance Center and currently assigned to the Commercial Service Desk at NAM, reiterated that “growth for industries in 2009 is in exportation.” The U.S. Commercial Service is driven by export successes. All companies are invited to contact the U.S. Commercial Service with any questions or issues related to exporting U.S. goods. They are eager to make all U.S. companies successful. For assistance, call 1-800-USA-TRADE.

The U.S. Commercial Service (CS) offers several customized programs. The International Partner Search (IPS) helps U.S. companies find qualified international buyers, partners or agents without traveling overseas. CS trade specialists will deliver detailed company information on up to five pre-screened international companies that have expressed an interest in the U.S. firm’s products and services. A fee is charged depending on the scope of work. Companies can request this service at their local U.S. Export Assistance Center. A list of the centers is available in the previously-mentioned *Export Programs Guide*.

Another popular customized program available for a fee is the Gold Key Service. The Gold Key Service is a program that helps U.S. companies secure one-on-one appointments with pre-screened potential agents, distributors, sales representatives, association and

government contacts, licensing or joint venture partners, and other strategic business partners in their targeted export markets. This service is offered through the local U.S. Export Assistance Center.

### Case Studies and Exporting Experiences Panel

On the second day of the seminar, an industry panel presented best practices for exporting. Five case studies were reviewed.

Edul Davr, president of ACupowder International, provided a description of how the company began exporting about 10 years ago. Following a decision to sell into the foreign markets, ACupowder explored ways to sell and chose to use sales agents and distributors on a commission basis. It also explored ways to make products available to customers. Several logistics routes were established, including shipping direct from the United States, maintaining product in one local warehouse in Belgium, and on consignment.

How to ship the product became the next concern. After exploring the options, ACupowder chose to ship directly to a port or to their warehouse (CIF Destination Port or Warehouse). For most customers, the terms of sale include collecting payment before the product is released from the port or warehouse. For some smaller customers, cash-in-advance is required. This model secured ACupowder’s venture into the global market and remains its model today.

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## Export Assistance Seminar

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Paul Donovan, AVEM chairman and vice president, marketing, A&N Corporation, explained some of the challenges faced by a relatively small U.S. manufacturer competing in the global marketplace. A&N Corporation is a manufacturer of high and ultrahigh vacuum components for the semiconductor and solar markets.

A&N entered into exporting in the mid-1990s when one of its regional distributors was acquired by a multinational distributor. Immediately, their products were sold into dozens of countries throughout Europe and Asia. When the multinational distributor was acquired by a larger firm, the new owner dropped several product lines, including A&N's. This put the company on the path to manage exports themselves.

Donovan expounded on the value of the help he received from his U.S. Export Assistance Center. Through the center, he has been consulted by regional trade specialists, attended educational programs, and was connected with his District Export Council (DEC). Resources through the DEC have helped with banking and shipping issues. Now, the company is in the process of using the U.S. Department of Commerce's Gold Key Service to expand exports into new markets. Donovan said that with government assistance, their exports in four years have increased by 20 percent.

Clay Tyeryar, MAM, CAE, who is AVEM's assistant treasurer, and president, American Textile Machinery Association (ATMA), demonstrated how associations work together and increase exporting

opportunities for their members. In 2006, MEGATEX co-located two established textile machinery trade shows – ATME-I and IFAI Expo – to maximize customer participation.

To increase foreign attendees at the show, ATMA applied for recognition by the International Buyer Program (IBP). The U.S. Commercial Service IBP is designed to bring international buyers to purchase U.S. products. Because the exhibition was accepted by the program, 150 Foreign Commercial Service offices in 70 countries actively promoted MEGATEX. MEGATEX was one of only 28 shows to receive the designation in 2006.

The IBP program increased the visibility of MEGATEX for foreign buyers, and 25.3 percent of registrants were from outside the United States. Thirteen thousand visitors from more than 80 countries attended. The top five countries represented were India (264 visitors), Germany (145 visitors), Mexico (143 visitors), Canada (128 visitors), and Pakistan (104 visitors). Among the international visitors, there were six DOC officially-led buying delegations from India (37 members), Pakistan (29 members), Guatemala (27 members), Vietnam (17 members), El Salvador (6 members) and The Dominican Republic (5 members).

To further enhance MEGATEX, ATMA and IFAI encouraged allied organizations to support the show and host technical conferences. Twelve textile organizations participated in MEGATEX 2006.

Tyeryar noted that there are many benefits of co-location,

including the economies of scale. More importantly, co-location provides value to the customers by having one "mega" event rather than multiple individual trade shows. Because of the success of the first show, planning has begun for MEGATEX 2010 to umbrella three shows in the field.

### Enhancing U.S. Industry's Competitiveness

To conclude the productive seminar, Rear Admiral (Ret.) William "Woody" G. Sutton, CAE, assistant secretary, Manufacturing and Services, U.S. Commerce Department, outlined the services offered by the newest office at the DOC – The Office of Manufacturing and Services (MAS). Rear Admiral Sutton was appointed by President Bush in May 2007 and unanimously confirmed by the U.S. Senate.

As a unit of Commerce's International Trade Administration, the MAS serves as the federal government's lead advocate for U.S. industry. Its distinctive sector knowledge and expertise enable MAS to be the government's primary source for evaluating and analyzing industry policy. Under the International Trade Administration, the MAS works with the other three offices: Market Access and Compliance Barriers; Import Administration; and U.S. Foreign & Commercial Service.

Sutton shared a report being released that day with the seminar participants. *Promoting Competitiveness: Partnerships and Progress of the Office of Manufacturing and Services* highlights the development

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# Ex-Im Bank: A Valuable Partner for Companies Seeking to Export

Vacuum equipment manufacturers can obtain the financing support they need to compete in global markets from a valuable partner – the Export-Import Bank of the United States (Ex-Im Bank). This is important because export opportunities have never been greater.

Approximately one in 10 U.S. jobs now is dependent on exports, and statistics from the U.S. Commerce Department show that export-related jobs on average pay better. U.S. exports grew approximately 11 percent per year between 2003 and 2007.

To help vacuum equipment manufacturers break into, or expand their business in, global markets, Ex-Im Bank can provide the financing tools they need:

- 1) Working capital guarantees to build inventory to fill foreign orders,
- 2) Export credit insurance to protect against nonpayment risks, and
- 3) Loan guarantees to offer foreign buyers competitive credit.

Ex-Im Bank has many partners. These include commercial lenders across the country with delegated authority to provide Ex-Im Bank financing without prior approval from the bank, greatly accelerating access to Ex-Im Bank financing. A list of these banks is on the bank’s web site – [www.exim.gov](http://www.exim.gov).

## Contact Ex-Im Bank

If you’re interested in learning more about how Ex-Im Bank can support U.S. exports, visit Ex-Im

Bank’s Web site at [www.exim.gov](http://www.exim.gov) or contact the Bank at 1-800-565-EXIM (3946), and choose the option that puts you in touch with the bank’s regional office nearest you.

## Export Assistance Seminar

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and successes of MAS since its inception in 2004. A copy, including its important MAS contact list, is available at [www.trade.gov/mas](http://www.trade.gov/mas).

Sutton encouraged manufacturers to use the expertise offered by the MAS. U.S. competitiveness is the office’s top priority. Industry input on issues is sought through its extensive industry advisory committee system. MAS’ goal is to make competitiveness the cornerstone of U.S. trade policy. “Our goal is to have lawmakers and regulators ask the question, how will this policy or regulation affect U.S. competitiveness, when formulating all new laws and regulations.” The MAS industry and economic statistics experts are committed to providing the best practical and actionable data to help protect U.S. competitiveness.

Sutton implored manufacturers to seek assistance from the MAS. The office has dedicated specialists who can provide economic and industry analysis to help manufacturers make informed exporting choices. Resources and contacts are available at [www.trade.gov/mas](http://www.trade.gov/mas) or [www.manufacturing.gov](http://www.manufacturing.gov).

## Seminar Provided Useful Information

Other speakers at the seminar included Gus Grace (Export-Import Bank of the United States), Patrick Tunison (Small Business Administration) and Jeffrey Traver (AMT-The Association for Manufacturing Technology).

Participants highly rated the Multi-Industry International Business Services and Export Assistance Seminar, giving it an average 2.7 (out of 3.0) rating. All seminar presentations received average ratings above 2.5, with the Export-Import Bank and MAS overviews receiving the highest ratings. Near unanimously, all respondents indicated that they were likely to attend a future seminar with similar and complementary content.

All AVEM members are encouraged to attend future programs and increase their networking benefits. Future seminars will be announced in the newsletter and via email alerts. For more information or suggestions, contact AVEM Executive Director Dawn M. Shiley at [avemexecsec@avem.org](mailto:avemexecsec@avem.org).

## New Manufacturing Cost Study Shows Corporate Tax Burden Has Widened Steadily Since 2003

An update of the widely-cited manufacturing “cost study” was recently released by the National Association of Manufacturers (NAM), The Manufacturing Institute and the Manufacturers Alliance/MAPI. The study shows that U.S. manufacturing is making progress in reducing its cost disadvantage against nine major foreign competitors but that high corporate tax rates now account for more than half of the burden.

The new study by economist Jeremy Leonard finds the overall structural cost burden facing U.S. manufacturers for corporate tax rates, employee benefit costs, tort litigation, pollution abatement and energy is 17.6 percent relative to their nine largest trading partners, compared to 31.7 percent in the 2006 study and 22.4 percent in the groundbreaking 2003 study.

“There is clearly encouraging news in this report,” said NAM President and CEO John Engler. “But an excessive cost burden of 17.6 percent is still a serious impediment to our ability to compete. In particular, high corporate tax rates account for more than half of the burden, and this has gotten worse since 2003. We continue to fall behind by standing still. We’re paying the second-highest corporate tax rate among OECD nations. A great way to boost our economy and improve our competitiveness will be to bring our corporate tax costs under control.”

Manufacturers Alliance/MAPI President and CEO Thomas Duesterberg said the main drivers of the narrowing cost gap are employee

benefits and pollution abatement costs. “Together, they account for three quarters of the improvement in the overall cost disadvantage for U.S. manufacturers,” he said. “More complete data from China reveal that these costs are higher there than found in previous cost studies. Though much of the improvement for U.S. manufacturers is due to global dynamics, the best way to compete is not to sit back and hope that the structural costs of our trading partners rise faster than ours.”

“These new numbers show that even though global wage differentials are narrowing, policy-induced costs in the United States, especially corporate taxes, continue to undermine manufacturers’ ability to

compete with our largest trading partners,” Duesterberg said.

The study shows how a combination of favorable U.S. policy changes advocated by NAM, actions by manufacturers to innovate and manage structural costs, and rising costs among our major international competitors have contributed to lowering the aggregate cost burden faced by U.S. manufacturers over the past two years. Still, one of our first goals to get our economy growing again must be to bring our corporate tax rates under control.

The new 2008 cost study, *The Tide is Turning: An Update on Structural Cost Pressures Facing U.S. Manufacturers*, is available at [www.nam.org/coststudy](http://www.nam.org/coststudy).

### New Small Business Blog Launched – Small Business Community Encouraged to Join the Conversations

The Office of Advocacy of the Small Business Administration has launched a new small business blog focusing on regulatory issues, small business research, state regulatory activity and more. *The Small Business Watchdog* is located at <http://weblog.sba.gov/blog-advo>.

“We are excited about the fact that the Office of Advocacy is using social media and Web 2.0 techniques to help join together the small business community across the country,” said Shawne McGibbon, acting chief counsel for advocacy. “We anticipate that the conversation that arises out of our blog will help everyone who advocates on behalf of small business.”

The Office of Advocacy encourages all small business owners and other stakeholders to check out the *Small Business Watchdog*, and let SBA know how government is doing by leaving a comment. All small business owners are encouraged to join the conversation.

The Office of Advocacy, the “small business watchdog” of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

## MAPI Quarterly Business Outlook Proves Recession Worsened

The U.S. manufacturing recession continued unabated, and in fact intensified in the third quarter, and is now part of a global downturn, according to the Manufacturers Alliance/MAPI *Quarterly Industrial Outlook: Third Quarter 2008*, a report that analyzes 27 major industries.

“There was a sudden and acute acceleration of the decline in the industrial sector in September and October,” said Daniel J. Meckstroth, Ph.D., chief economist for the Manufacturers Alliance/MAPI and author of the analysis. “The vicious circle of financial crisis, decline in wealth, consumer spending cuts, and job loss continues to spiral into a severe recession — certainly the worst since the early 1980s.”

On an annual basis, MAPI forecasts a decline in the industrial sector this year and next before showing some marginal improvement in 2010. Manufacturing production is expected to fall 1.4 percent in 2008, and decline 4.2 percent in 2009, preceding 0.9 percent growth in 2010.

Manufacturing industrial production, measured on a quarter-to-quarter basis, declined at a 7.8 percent annual rate in third quarter 2008 after falling at a 4 percent annual rate in the second quarter.

“The financial crisis in the United States has spread to most other regions of the world, creating a global downturn,” Meckstroth said. “A recession among our trading partners has weakened the outlook for exports, which is one of the few remaining pillars providing positive support to the economy, particularly to the manufacturing sector.”

Non-high tech manufacturing production declined at a severe 8.2 percent annual rate in third quarter 2008. It is forecast to decline 2.9 percent for the year, fall further by 6.3 percent in 2009, and grow 0.9 percent in 2010.

There was a significant downturn in the 2008 third quarter figures for manufacturing. Nine of the 27 industries tracked in the report had inflation-adjusted new orders or production above the level of one year ago, two fewer than reported in the second quarter. Seventeen industries had production below the level of one year ago, and one remained flat.

Only one industry, communications equipment, had double-digit, year-over-year growth in the third quarter as it grew by 16 percent.

The largest drop came in housing, with a 32 percent decline in housing starts. Industrial machinery fell by 19 percent, motor vehicle and parts production by 16 percent, basic chemicals by 14 percent, and engines, turbines and power transmission equipment by 11 percent.

The report also offers economic forecasts for 24 of the 27 industries for 2009 and 2010. The recession in the manufacturing sector is expected to last well into next year, with MAPI forecasting only three of 24 industries to show gains. Aerospace products and parts is predicted to grow by 3 percent in 2009, while communications equipment and public construction should each grow by 1 percent.

A turnaround is anticipated in 2010, with 16 of 24 industries expected to expand, led by housing starts at a healthy 50 percent

increase. Aerospace products and parts, by 10 percent, is the only other industry predicted to grow by double digits, but any growth in the remaining industries would be a relief from the economic recession that began in December 2007.

Seven industries are expected to experience negative change in both 2009 and 2010, with private, non-residential construction showing the most weakness. The industry is expected to decline by 14 percent in 2009 and by 13 percent in 2010, but is the only one anticipated to have two consecutive years of double-digit retrenchment.

A copy of the full report may be purchased for \$50 by visiting [http://www.mapi.net/Pages/PublicationStore.aspx?CustomURL=/Purchase/ProductDetail.aspx?Product\\_code=ER-665](http://www.mapi.net/Pages/PublicationStore.aspx?CustomURL=/Purchase/ProductDetail.aspx?Product_code=ER-665).

### REMINDER

**Now is the time to pay your 2009 AVEM Membership Dues.**

**Please submit your dues assessment form and payment to Headquarters by January 23, 2009.**

**Questions?**

**Contact AVEM  
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