WEEK of August 7-11, 2006

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INDUSTRY WATCH

Airgas - (NYSE:ARG)
- Airgas, the largest distributor of specialty gases in the United States, purchased Aeriform, a distributor of welding products and gases, according to Weldingdesign.com. Airgas stated this acquisition will add 29 locations in Texas, Louisiana, Oklahoma and Kansas to its present 900 locations. Airgas also said that it will integrate 14 of Aeriform's stores into Airgas Southwest, seven sites into Airgas Gulf States, and eight locations into Airgas Mid South. Plans stipulate that most of Aeriform's 240 employees are to join Airgas's 10,000 employees.

General Motors - (NYSE:GM)
- CNN.com reports on General Motors' plans to bring back the Chevrolet Camaro, tapping into consumer nostalgia for the 1960s "muscle" car. However, skyrocketing fuel prices have some analysts debating whether the sporty car's appeal will be enough to attract the modern-day consumer.

Ford - (NYSE:F)
- United Auto Workers are discussing cost-cutting measures in an effort to help Ford bounce back from recent losses, according to the Associated Press and the Houston Chronicle. Ford also said that the union would entertain the possibility of an alliance with a foreign automaker should the terms benefit both parties and secure union jobs.

Costa Cruises/Carnival Corporation - (NYSE: CCL)
- In a positive sign for the shipbuilding industry, Costa Cruises launched two new luxury cruise vessels and announced plans to build three more, notes Travel Daily News. Costa Cruises is part of the Carnival Corporation, the world's biggest cruise company.

Thermadyne - (OTC:THMD.PK)
- Amidst a Moody's Investor Services downgrade of Thermadyne debt over "concerns about [the company's] internal controls on financial reporting and its inability to translate a favorable market for its products into increased cash flow," Thermadyne made some telling changes to its corporate structure, notably naming Steven Schumn as new CFO and chief administration officer, reports the St. Louis Journal. Schumn will work with the company to solve its accounting problem.

U.S. Steel Corp. - (NYSE:X)
- This week, U.S. Steel will be handing out profit sharing checks to union steelworkers, according to the Northwest Indiana Times. 14,300 employees who are members of the United Steelworkers Union will receive profit-sharing checks of $6 an hour for a maximum of 480 hours for a typical payment of $2,880.
**Aleris International/Texas Pacific – (NYSE:ARS); (NYSE:TPL)**

- Texas Pacific plans to purchase Aleris International, an aluminum producer/recycler, for $1.7 billion, according to Bloomberg news. The article also mentions that aluminum producer Alcan (NYSE:AL) expects demand for aluminum used for aircraft and drink cans to rise 6.8% this year.

**FINANCIAL WATCH**

**Fed Brakes on Rate Hikes**

- The U.S. Federal Reserve decided Tuesday to take a break after 17 consecutive rate increases, suggesting that economic growth may be moderating despite signals of escalating inflation. The Fed noted in its report that while "readings on core inflation have been elevated in recent months, inflation pressures seem likely to moderate over time, reflecting contained inflation expectations and the cumulative effects of monetary policy actions and other factors restraining aggregate demand."

**Industrial Robots Take a Break**

- Weldingdesign.com reports that new orders for industrial robots have declined 38% in the first half of 2006, citing reduced sales to the automotive industry. However, robot sales increased in other categories: food and consumer goods, life sciences, pharmaceutical, biomedical and general industry. The trade group Robotics Industries Association estimates that approximately 162,000 robots are now installed in American factories, making the U.S. number two in the world, below Japan, for use of industrial robots.

**Out of Gas**

- CNN reports on this leading news story that gives consumers another reason to gripe. Amidst rocketing gas prices and the country’s “addiction to oil,” 8% of U.S. oil production has been shut down after “severe corrosion” was discovered in Alaska’s pipelines. Tough times lie in the weeks ahead for BP (NYSE:BP), which is already knee deep in spending on safety upgrades, as they rush to fix the problems and remove the added strain from a tight market. The article also uncovers that the pipeline shutdown is only BP’s latest worry, as the oil giant has been the subject of a criminal investigation over a 200,000-gallon oil spill in the same area in March. According to CNN, BP holds just over 25% of the Alaskan reserve better known as Prudhoe Bay, which opened in 1968 and is expected to pump over 14 billion barrels over its lifetime.

- In a related story, CNN reports on frustration from analysts who connect the oil producer’s lack of foresight with a larger problem looming over the world's aging oil infrastructure.

- A further update from the U.S. Energy Secretary Sam Bodman sheds some light on the situation, as he says that the western half of the Prudhoe Bay field - which produces about 200,000 bpd – could be left online while repairs are made to the other corroded half. Mr. Bodman also said that while the problems at BP facilities at Prudhoe Bay could take months to fix, the U.S. could make up much of the supply shortage with alternate sources.

**Copper Cost At Risk**

- The Guardian reports that analysts are concerned of a prolonged copper mine strike in Chile that could result in a doubling of worldwide copper prices.

**Russian Aluminum Makers Refocus on Energy**

- The Associate Press reports on two Russian aluminum producers who are joining forces to finance nuclear power plants that could double their growth. The partnership is reminiscent of Russian president Putin’s goal to dramatically increase nuclear-generated electricity to help meet demand and “the growing strain being put on Russia's Soviet-era power infrastructure.” The Russian aluminum industry currently accounts for 10% of the country’s electricity demand, the article noted.
INNOVATION WATCH

Results Promising for Hexavalent Chromium Replacement

- Environmental Health Perspectives talks about a potentially safer alternative to the widely debated hexavalent chromium. Investigators at the MIT are researching nickel and tungsten nanotechnologies to find replacements for hexavalent chromium.

New Helmet Protects and Cleans

- With increased focus on welding health and safety, helmets are taking on a new role in protection. Manufacturing Talk reports on Murex Welding Products, which has designed a new lightweight welding helmet and respirator combo that darkens automatically for instantaneous eye protection and offers full ultra-violet and infra-red light ray protection. The helmet is also equipped with a respirator system that includes an air filter, air hose and heat unit.

CAREER WATCH

Wine Country Thirsty for Skills

- America is lagging far behind other countries, such as China, in the tech skills category, reports The Press Democrat. In fact, concerns over our nation’s ability to carry the technology torch has caused Sonoma County educators to put together an educational program focused on ways to make U.S. students more competitive in a variety of occupations, ranging from culinary arts to computer skills to construction techniques.

Welders Fight Possibility of Becoming Obsolete by Gaining Valuable Skills

- The Register-Mail.com reports on welders who are learning to operate computerized numerical control machines or CNC machines, to increase their job skills and stay competitive in a new world of manufacturing.

Why Go to Work When Work Can Come to You

- It’s a “service call” of the new era, where location has no limit and the work is all but boring. In shrinking industrial Milwaukee, The Milwaukee Journal-Sentinel reports on In-Place Machinist, which is sending welders and other manufacturing workers across the globe to conduct work where it is needed most. After years of sophisticating their service, the company has performed work for the U.S. military and navy, aircraft carriers, oil platforms, shipyards and other regions of the world.

Natural Gas Draws Welders

- The Caspar Star Tribune reports on a natural gas pipeline in southern Wyoming that is creating a strong demand for welders. At its peak, about 800 workers will be involved in the production of the Rockies Express Pipeline, a 1,663 mile, 42-inch diameter natural gas pipeline that will stretch from western Colorado to central Wyoming all the way to markets in Ohio.

PEOPLE WATCH

Welder Rides the Wave of Success

- The Northwest Indiana Times reports on a welder/motorcycle enthusiast who took his welding skills and passion for fixing motorcycles to build a business customizing bikes.
**Museum Honors Welder for Contribution to Auto Manufacturing and Robotics**

- The Pittsburgh Tribune Review covers a story about an *ex-manufacturing engineering supervisor at GM who is being honored by the Smithsonian Institution*. His involvement in the invention of an electric computer-controlled robot, which advanced the auto manufacturing process to another level, put this machinist on the Smithsonian VIP list. Today the robot remains a feature in the industrial development museum.

**Looking for Luster? Try Soldering**

- The Trinidad and Tobago Newsday reports on a 24-year-old *jeweler who uses soldering to create unique pieces that capture the Trinidadian spirit*.

**Welders in the Marines Awarded for Ingenuity**

- Welders and mechanics in the U.S. Marine Corps were *recognized and awarded $5,000 at an early August ceremony* for their design and fabrication of a protective armor kit, consisting of mostly steel and glass, for military forklifts and front end loaders called TRAMs.

**SAFETY WATCH**

**Practice Makes Perfect**

- The Pembrokeshiretv.com covers a story about *safety tests to prepare welders for construction of a large gas pipeline in England*.

**Labor & Industries Agency Swaps Ticketing for Talking**

- The Daily World reports that a *Washington state agency wants to work with industries to improve safety*. The agency is moving away from punitive practices and towards consulting practices that match company needs with consultants or welding experts and schools.

**AWS NEWS**


**AWS IN THE PRESS**

- AWS was featured in a *Northwest Herald article reporting on the launch of a welding class or “boot camp” at McHenry County College this fall*. The camp was a response to a talent shortage that has strapped the local manufacturing industry. Requests from local manufacturing companies erupted as companies began to suffer from too much work and too little welding help.

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Have a comment or question? Email the Newsletter Editor at Azalkind@aws.org or call 800-443-9353, ext. 416