



# WELDTIMES Weekly

WEEK Ending September 8, 2006

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## INDUSTRY WATCH

### **Boeing – (NYSE:BA) / Atlas Air Worldwide – (Nasdaq:AAWW)**

- Reuters reports that [Atlas Air has purchased 12 new 747-8 jumbo freighters from Boeing](#), worth about \$3.4 billion each, making it the first North American air cargo carrier to order Boeing's biggest commercial plane. Boeing's tally of 747-8 freighter sales is at about 30, including orders by Luxembourg-based Cargolux Airlines International and Japan's Nippon Cargo Airlines. Atlas expects to launch the jets in 2010.

### **Charter - (LondonExchange:CHTR.L) – Parent of ESAB Welding and Cutting Products**

- [Reuters reports that Charter posted a 55% jump in profits for the first half of 2006, due to](#) strong sales in Europe and North America. The company also stated that full-year 2006 results could be better than the company's initial expectations.

### **DaimlerChrysler - (NYSE:DCX)**

- [MSNBC.com reports that DaimlerChrysler predicts a \\$1.52 billion loss](#) in third quarter due to rising oil and gas costs as well as production cuts the company will make to reduce dealer inventories. The new projection is double the loss previously anticipated by the company.

### **ESAB Welding and Cutting Products**

- [The Evening Sun reports that ESAB will go to trial in December 2006 for violating](#) labor practices charged by the National Labor Relations Board from a filing by the United Auto Workers Local 1968 union in June 2006. The filing was made after members of the UAW went on strike because of stalled contract negotiations. When ESAB hired temps to fill the roles, failed attempts were made by the union to have the Company hire back striking workers. The ruling by the labor board could restore their jobs.

### **Ford – (NYSE:F)**

- [Ford will offer buyouts to all of its 75,000 United Auto Workers union workers in the U.S.](#) reports Associated Press after a Ford announcement on Friday. According to the [Washington Post](#), Ford will cut its North American salaried white-collar work force by 14,000 jobs and sell or shut down its parts-making plants slashing annual operating costs by \$5 billion. These cuts are a part of a broad restructuring plan intended to pull the company from a streak of heavy losses. Ford is also discussing a possible new pricing strategy aimed at keeping prices closer to the suggested retail price of its vehicles. Ford first revealed its plans to expand its North American turnaround program in January as part of its "Way Forward" campaign. The plan involves cutting 30,000 jobs and closing 14 facilities by 2012. Ford's decision to reveal its plans on Friday came after a Detroit newspaper speculated that the ailing automaker could lose up to \$9 billion in 2006 in part due to costs associated with the restructuring initiative. But Company spokeswoman Becky Sanch would not comment on the report or the numbers. "Those aren't numbers that we shared, and we're not commenting," she told The Associated Press on Thursday.



**General Electric (NYSE: GE)**

- o [GE will sell a majority stake in its advanced materials unit for about \\$3.8 billion to private investment group Apollo Management.](#) The company will also hold \$400 million of GE notes. The unit produces silicones and quartz products used in industrial applications and makes about \$2.5 billion in annual revenue. Proceeds, estimated at about \$2 billion, will be spent on restructuring its industrial business. The sale is expected to be final at the close of 2006.

**Illinois Tool Works Inc. (NYSE:ITW)**

- o [Reuters reports that Illinois Tool Works has lowered its projected earnings forecast](#) for the third and fourth quarter of 2006 citing weakness in home construction and the U.S. auto industry.

**Ipsco - (NYSE: IPS) / NS Group - (NYSE:NSS)**

- o The Associated Press reports that [Canadian steelmaker Ipsco is purchasing NS Group, a U.S. maker of steel pipes and tubes used in oil fields.](#) The \$1.46 billion deal, slated to close by the end of 2006, will give Ipsco an edge in the American tubular energy and pipe market, which currently is home to about half of its employees. NS Group produces tube products for drilling, exploration and transportation of oil and natural gas and has locations in Kentucky, Pennsylvania, Oklahoma and Texas. The newly formed enterprise is expected to yield combined annual revenues of more than \$4 billion.

**Lincoln Electric - (NASDAQ:LECO)**

- o In a company press release, Lincoln Electric Holdings reports that [Patrick S. Whalen was appointed Global Business Director.](#)

**Lockheed-Martin - (NYSE:LMT) \*Requires Search**

- o [Lockheed martin is on a roll, reports the Orlando Sentinel.](#) Just after securing a multibillion-dollar contract to build Orion, the space vehicle that will replace the U.S. space shuttle, Lockheed has done it again. The company has just secured a potential \$2 billion deal with Air Force to produce an advanced communications system linking and upgrading air-operations centers worldwide. Lockheed won over two major rivals, Northrop Grumman Corp.'s Melbourne unit and Virginia-based General Dynamics Corp.

**Thermadyne – (OTC:THMD.PK)**

- o [The St. Louis Business News reports that Thermadyne, marketer of cutting and welding products and accessories, has hired Mark Jolly as Vice President and Global Controller.](#) Jolly most recently was the CFO at idX Corporation, an international manufacturer of store fixtures. Prior to then, he was the global controller of the international petrochemical manufacturing operation of Koch Industries, Inc. Jolly will be tasked with helping to reshape the company's financial systems and processes.

## **FINANCIAL WATCH**

**Lincoln Electric R&D Snubbed**

- o [Lincoln Electric may have to shelf some of its greatest ideas for new welding materials and methods due to lacking support from government, the Associated Press reports.](#) The company's federal research and development tax credit, which expired in 2005 and typically yields \$1 million to \$2 million in research grants, gave the company a tax break while keeping innovation on stream. But the offer has yet been renewed to Lincoln and several other companies used to receiving similar benefits – a very different scenario compared to a seamless renewal process in the past. Companies that are already working on new ideas worry that they may not see the renewal any time soon, which could effect production.

**Industrial Production Moves Slightly Lower**

- o Reuters reports that [U.S. industrial production is down by 0.1% in August.](#)

**Dulles Airport Gets a New Lift**

- o [The Washington Post reports on expansion pans at the Dulles International Airport in Washington DC.](#) The \$3.4 billion construction and expansion project, including an underground train system called Aerotrain, is already half-done. The project is planned to increase the airport's capacity and security by adding a fourth runway, more gates, new control tower, expanded security clearance area and other improvements. While



the total project is scheduled to open in 2009, some of the plans included, such as the control tower and runway, could open as early as next year and in 2008.

**The Future of the Steel Industry**

- As consolidation sweeps the steel manufacturing industry, evidenced by Mittal Steel's recent deal with Arcelor fusing the world's two largest steel companies, what is next for the industry? "Steel companies now operate on a worldwide basis, across country and continent lines, as they seek to control their operating environment and better serve their customers," writes Robert Miller of BusinessWeek Online. Is this the end or only the beginning? [Here's a glimpse of the future according to Miller.](#)

**INNOVATION WATCH**

**A New Polish for Automotive Welding**

- [A new automated polishing process may improve resistance spot aluminum welding](#), according to a University of Warwick Manufacturing Group study reported on [scenta.com](#). While resistance spot welding has become popularized for joining steel in the automotive industry, short electrode life has prevented its wider adoption for joining aluminum for fear of decreased weld quality. This study has demonstrated the significant additional improvement in electrode life by polishing the copper electrodes between each welded component using an automated robotic welding system.

**Miller Presents Plasma Cutting To-Go**

- [In a company press release, Miller Electric announced its new portable plasma cutter called the Spectrum 375 X-TREME](#). The 100-amp unit weighs 18 pounds and has a 3/8-inch cut rating on mild steel designed for maintenance, HVAC, and construction. It is able to connect to any single-phase 115V, 230V power supply and can provide the cutting capacity of machines twice its size.

**Welding Fumes a Thing of the Past**

- [The Ferret.com reports that ducting specialist Eximo has introduced WeldFlex](#), a ducting product that removes welding fumes. Made of a PVC-coated polyester fabric, WeldFlex is made to last through the most brutal of environments. Equipped with an abrasion-resistant outer helix that contains spring steel, the product is flame retardant and allows for good compressibility. Weldflex products are used by multinational automotive manufacturers to remove welding fumes from welding stations.

**CAREER WATCH**

**Home School For Welders**

- The Regina Leader Post reports a new concept in "home school". [The Saskatchewan Institute of Applied Science and Technology has launched its high-tech mobile welding training lab](#). The \$1.6-million mobile lab includes a full training shop for welding, industrial mechanics and electrical work, and can accommodate 12 students at a time. The facility is aimed to bring education to students in their home towns, spending anywhere between seven to 20 weeks at a single location.

**India's Welders Find a Home in Texas**

- [The Beaumont Enterprise reports on how one company's need for workers has resulted in a massive recruitment from overseas for its U.S. operations](#). Signal International, a marine manufacturing firm that builds and repairs offshore oil rigs in Southeast Texas, recently announced plans to hire 300 workers from India. The new employees will work in welding, ship fitting, construction, and repair hurricane-damaged rigs and equipment. But local unions question whether the company made sufficient attempts to hire U.S. workers. Southeast Texas has long suffered from skilled worker shortages. While local initiatives to alleviate the strain are underway, the epidemic has continued. "So we're working on the solution, but it takes months to train a certified welder. You can't fix the problem by next week," said Bobby Fillyaw, executive director of the Orange County Economic Development Corporation.



**Hurricane-Damaged Shipbuilder Revived and Seeking Workers**

- o [The Pascagoula, Mississippi Associated Press reports that VT Halter is looking for workers. Hurricane Katrina](#) damage last year resulted in the shipbuilder's three facilities in Jackson County to drown in 20 feet of water, but even after \$45 million in damage, the company is far from out of business. "I have 902 employees working for me right now," VT Halter chief executive officer Boyd King said. "And if 75 people with the right skills walked through the door, I would hire them."

**Wyoming Lures Workers from the Rust Belt (Requires Registration)**

- o [The New York Times reports that energy booming Wyoming is starved for labor and turning to the Rust Belt to lure in workers, particularly those in Michigan's struggling auto industry.](#) And several hundred, the article cites, have fled to Wyoming without hesitation, regardless of the challenges associated with adjusting to the life out West. A new Wyoming work force website has shown initial success with about 1,500 Michigan residents signed up to receive job postings. As they embark next month to the Rust Belt on their third recruiting trip this year, Wyoming economic development officials and company representatives will hold job fairs in Flint, Lansing and Grand Rapids.

**PEOPLE WATCH**

**A Touch of Art Makes a Good Weld**

- o [The Washington Times reports about a school that teaches metalwork as an art form.](#) At the Art League School, classes cover everything from how to weld using oxygen and acetylene to cutting heating and forming metal with a torch. Students also learn to weld outside corner joints, lap joints, butt joints and T joints. The course is aimed at teaching students the basic skills of metalwork that could be used toward creating freestanding sculptures or something more practical, such as furniture.

**Welder Heals By Helping Others**

- o [The Natchez Democrat reports on a determined welder who is building portable wheel chair ramps in an effort to help others despite an accident that almost left him a paraplegic.](#) He was a welder at the International Paper plant until a support fell out from under him in 2001. Today, he is welding, wheeling and working on walking independently of his arm crutches.

**Junkyard a Gem of a Business**

- o [The Rapid City Journal reports on a successful 50-year old metal fabrication business born out of a junkyard.](#) In the small town of Philip in October 1956, Art Kroetch and his wife, Eleanor, bought the junkyard and immediately added a repair shop. Within a couple of years, he was doing some small-scale manufacturing of agricultural products. After selling his first brand-name product nationwide, the company soared. Today, Scotchman Industries is a world leader in the manufacture of specialized metal-fabrication machines known as ironworkers.

**Ironworkers Bury the Past by Building a Future**

- o [The Gazette reports that as underground structural work on the new World Trade Centre,](#) the Freedom Tower, is under way, a new generation of high-steel workers from the Mohawk communities of Kahnawake and Akwesasne are being called to join the rebuilding effort. Union officer Kevin O'Rourke, who is the president of Local 40 of the International Ironworkers in Manhattan, is counting on Mohawk ironworkers to help raise the next World Trade Centre. When the World Trade Centre fell, dozens of Mohawk ironworkers were said to have gone to Ground Zero to help in the recovery effort as they had the skills and expertise necessary to work the torches for steel cutting. Their effort became a memorial to those who helped erect the massive structure in the 1960s and 1970s, many of whom were family and friends. Construction of the new building is slated to begin in early 2007.



## SAFETY WATCH

### Welding Safety Violations Cause Mine Fire

- The Toronto Star reports that [failure to follow welding safety guidelines could have resulted in 25 miners who were killed by a fire in a Russian gold mine](#). While Russian officials claim that negligence during welding work may have sparked the blaze at the more than 100-year-old mine, authorities report that delays in reporting the fire – miners waited nearly an hour to call for help - allowed it to get out of control.

## AWS IN THE PRESS

- AWS was mentioned in a Caller Times article titled, *“There's work in welding - Industries demand the skill more than a decade or two ago.”*

Article Intro: “The oil and gas industry's prosperity can be measured by the demand for welders, and right now it's high. Hector R. Cantu, 49, recalls the highs and lows of the industry over the past three decades. The industry boomed in the 1970s and with it came oil rigs, oil wells and refineries. The demand for qualified welders was high and high-earning jobs were for the taking, he said. Then came the 1980s.”

[Read the full article...](#)

- AWS was mentioned in an Engineering News article titled, *“It's A great Time To be a Welder”*

Article Intro: “It is not news that one of the most pressing issues facing the welding industry is the dearth of trained welders and, according to Southern African Institute of Welding's (SAIW's) executive director Jim Guild, there will have to be a paradigm shift in solution thinking on the part of all industry players to rectify the problem. He adds that the lack of welding skills is certainly not only a South African phenomenon and is being experienced in many countries all over the world at present.”

[Read the full article...](#)