



American News

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USDOC Issues Preliminary Determination on Imports of Threaded Rod from China & India



The U.S. Department of Commerce (DOC) has announced the affirmative preliminary determinations in the countervailing duty (CVD) investigations of imports of carbon and alloy steel threaded rod from China and India, finding that exporters received countervailable subsidies ranging from 23.41% to 24.89% and 6.07% to 155.03%, respectively. Based on these preliminary determinations, the DOC will instruct U.S. Customs and Border Protection to collect cash deposits from importers of carbon and alloy steel threaded rod from China and India based on these preliminary rates. In 2018, carbon and alloy steel threaded rod imported from China and India were valued at approximately US\$104.7 million and some US\$35.8 million, respectively. The petitioner was Vulcan Threaded Products Inc., Pelham, AL, USA.

FINdex Keeps Accelerating

The FIN Fastener Stock Index climbed in the second quarter of 2019, boosted by a stock performance that produced the strongest June in decades. The FINdex rose 13% in Q2, outperforming an index of related industrial stocks that increased 6.2%. Arconic achieved the largest percentage gain of the period, rising 35% in the second quarter of 2019. Other fastener companies with gains of 10% or more during Q2 included Simpson Mfg. (up 12.1%); Tree Island Steel (up 13.3%); and Wesco Aircraft (up 21%).

During the first half of 2019, the FINdex rose 13.7%, bested by a 15.3% rise in an index of related industrial stocks. Arconic achieved the largest percentage gain in the first six months of 2019, climbing 53.1% during the period. Other fastener companies with gains of 10% or more during the first half included Carpenter Technology (up 34.7%); Bisco Industries (up 39.3%); ITW (up 19%); Lawson Products (up 16.2%); Simpson Mfg. (up 22.8%); Stanley Black & Decker (up 20.8%); TriMas (up 13.5%); and Wesco Aircraft (up 40.5%).

In the opening quarter of 2019, the FINdex recouped the losses it suffered in 2018, gaining 7.2%, compared to an 8.6% increase by an index of related industrial stocks.

The FINdex contracted in 2018, hampered by volatility that dominated the markets, making 2018 the worst year for stocks in a decade. The FINdex declined 7.1% during the year, compared to a 7% drop by an index of related industrial stocks. The loss followed two consecutive years of double-digit growth.

Mowins: More Counterfeit Fasteners Being Marketed

Counterfeit fasteners are on the rise again, Mike Mowins told a 2019 Fastener Fair USA conference. Fastener problems led to the U.S. Fastener Quality Act, which after more than a decade of legislation and amendments was implemented on December 6, 1999.

Mowins spoke as president of Global Licensing for Phillips Screw Company. He has subsequently retired. Government agencies such as the Department of Defense and Department of Energy are “looking hard again at the fastener industry due to questions about counterfeit fasteners,” Mowins said. The FQA led to registered head marks with the U.S. PTO, which gave “some level of assurance” on fasteners greater than one quarter inch, Mowins said. Mowins noted there are FQA exemptions – including parts of assemblies, orders for spares in quantities of 75 or less, ISO / QS9000 registered and aircraft which have their own standards.

Changing Marketplace

The larger role of VMI, the stock-to-dock pricing per piece rather than quality and the global supply chain are changes since the U.S. FQA. The B2B online marketplace didn't exist at the time of FQA, Mowins noted.

Fasteners “once came from a source you knew,” he observed. Today China “recycles” electronic parts and resells them as “new supplies which confuses the sourcing and lacks traceability. Mowins cited the Coast Guard issuing a safety alert after finding counterfeit fasteners in 2017. An investigation of a ferry propulsion failure led to evidence of falsely-identified fasteners being used as part of the drivetrain system. Several installed bolt heads separated from their shanks, resulting in disconnection from transmission and water leaking into the engine room. Mowins also cited the SAE G-21 counterfeit materials committee as a factor in trying to assure fastener quality.

- “If you deal with the DoD and DoE, requirements are coming, which “will flow down” in the supply chain.
- “Know your supply chain” to reduce risk of counterfeits, Mowins advised.
- “If the price seems too good, it probably is,” he said.
- “Train your people,” Mowins emphasized as part of your staff understanding quality and supply.
- Trademarks provide an extra level of quality assurance. Trademarks ID the source.

Mowins said one of the best defenses against imported counterfeit fasteners is the U.S. Immigration & Customs Enforcement's regulation of registered trademarks at the U.S. borders. Customs Enforcement seizes and often destroys counterfeit bolts it finds, Mowins said.




Touhy: Robots Simplify Access to Information

“Robots are coming,” John Touhy of Fanuc America declared in a Fastener Fair USA presentation entitled “Automate or Evaporate.”

Since 2012, robots have been increasing 20% to 30% annually, Touhy said.

“Fear mongers” have been claiming robots “eliminate jobs,” Touhy acknowledged. But those are “dirty, dangerous jobs.”

Touhy countered that robots “create careers” and robots “turned Chrysler around.”

Fanuc is a group of global companies providing automation products and services, including robotics and computer numerical control wireless systems.

- Robots offer a “predictive future,” such as giving 663 issues to avoid with a machine. Robots can “calculate failures three or four months out,” Touhy said. “We got an alert to check the grease, resulting in no lost production time.”
- Could you produce more work if you had more skilled employees? Touhy asked. “How much work do you get done when a machine operator is on break or absent?”

Robots can have zero down time and just one robot can operate multiple machines, Touhy pointed out.

- Robots are “consistently repeatable and reliable” as long as maintained, Touhy said.
- Robots “simplify access to information.”
- South Korea, Japan and Germany lead in use of robots. Italy, Sweden and Denmark are next – ahead of the U.S. which is #7 and Taiwan #10.

Touhy finished his list of advantages of robots by observing that “robots never talk back.”



Innovative Components Adds New Automated Assembly Machine to Increase Thumb Screw Capacity

Schaumburg, IL, USA-based supplier of plastic knobs, quick-release pins, wire rope lanyards and thread identifiers, Innovative Components, Inc. has recently invested in a new automated assembly machine that drastically increases the company’s capacity in assembling press-on thumb screws. In addition, the new automated assembly machine will free up resources that can be utilized to fulfil the company’s other manual light assembly work orders.



Fastenal Celebrates 1000th Onsite Milestone

In early June, Fastenal, Winona, MN, USA, announced that it reached a vending machine milestone of 100,000 active units, and in July it reached another milestone of 1,000 active Onsite locations, each providing a customized local supply chain within (or very near) a customer’s facility. The 1,000th Onsite was set up within the Rocanville, Saskatchewan facility of Nutrien, a Canadian fertilizer company with operations in 14 countries. This Fastenal Onsite location was Nutrien’s third dedicated service/stocking location. Fastenal’s Onsite concept came in response to a specific customer need in 1992, when a large manufacturing plant required more product inventory than the local Fastenal branch could fit on its shelves. The firm also wanted Fastenal to be in its facility on a daily basis to assess its needs and replenish inventory. So it proposed the idea to bring the inventory and the Fastenal rep within the company’s four walls to support the operation on a full-time basis. Fastenal went on to open more of these “branches within a facility” at a moderate pace to 200 locations at the end of 2014 and at accelerated pace to reach 900 by the end of 2018. Thanks to the efforts of Fastenal’s sales and implementation teams, there are now over 1,000 Onsites generating over 25% of Fastenal’s total revenue.

MacLean-Fogg Component Solutions & RIBE® Announce Joint Venture – Aluform USA LLC



MacLean-Fogg
COMPONENT SOLUTIONS

RIBE®

Duncan MacLean, President/CEO of MacLean-Fogg has announced the joint venture formation of Aluform USA LLC between Richard Bergner Verbindungstechnik GmbH & Co. KG (RIBE®) of Schwabach, Germany, and MacLean-Fogg Component Solutions (MFCS) of Mundelein, IL USA. The RIBE-Aluform® product is the market leader in the automotive industry for high-strength aluminum bolt, screw and stud fasteners for lightweight, corrosion-sensitive automotive applications. Aluform USA combines RIBE and MFCS strengths to bring Aluform products to the North American market, with application engineering, customer support and USA manufacturing. MacLean said, “The RIBE-Aluform product line sets the global standard for high-strength automotive aluminum fasteners. Vehicle lightweighting will continue to be a major industry trend as OEMs work to improve fuel economy and battery range. We’re excited to further help our North American customers in their lightweight efforts by including Aluform high-strength aluminum bolts in our range of leading fastener solutions.” Frank Bergner, RIBE Managing Partner said, “MacLean-Fogg’s excellent manufacturing capabilities, application engineering and customer service make it an ideal partner to support and grow Aluform in North America.” Aluform USA LLC will be headquartered in the existing MacLean Maynard division of MFCS in Chesterfield, MI, USA.



ParkOhio Chairman/ CEO Resigns to Become U.S. Ambassador to Republic of Ireland



ParkOhio, Cleveland, OH, USA, a leading provider of supply chain management services and highly engineered manufactured products, has announced that after 26 years as Chairman and Chief Executive Officer (CEO) of Park-Ohio Holdings Corp., Edward F. Crawford has resigned as an Officer and Board Member, effective June 17, 2019, to assume the responsibility as the U.S. Ambassador to the Republic of Ireland. President Donald J. Trump nominated Edward F. Crawford to be United States Ambassador to Ireland on October 23, 2018. The United States Senate confirmed Ambassador-designate Crawford by 90-4 in favor on June 13, 2019. He was sworn in by Vice President Mike Pence on June 26, 2019, and presented his credentials to Irish President Michael D. Higgins on July 1, 2019. ParkOhio will continue to advance in numerous channels led by the current Chairman and Chief Executive Officer, Matthew V. Crawford. Edward F. Crawford stated, "I would like to take this opportunity to thank all the stakeholders for supporting a vision resulting in the evolution of a great company."

ENDURALOCK

Enduralock Wins NASA iTech Competition

Fastener manufacturer Enduralock was one of the three winners at the NASA iTech Cycle I competition that took place on July 10-11 in Mountain View, CA. The competition brought in finalists from around the world.

Based in Lenexa, KS, Enduralock designs fasteners that are highly vibration resistant and provide a permanent lock, yet they are able to be fully reversed and reused with standard tooling.

The company describes its proprietary fasteners as "positive locking, highly vibration resistant, easy to remove and install, reusable, easily utilized in harsh environments, able to be reapplied from a blind approach, and vibration resistant when there is a loss of pre-load," according to the company's website.

Enduralock claims its fasteners have "survived 300,000 cycles of vibration, 10X the aerospace industry requirement." Products include the Radial Lock Fastener, Radial Lock Bolt, and Nut Plate panel fastening system.

"We have dedicated tremendous time and effort to develop unique fastener solutions aimed to address the harsh environments experienced in space," said Enduralock CEO and co-founder Harold Hess. "I could not be prouder of what our team has accomplished, and we are tremendously excited to pursue future projects with NASA."

The company's fasteners are now space certified after an evaluation by engineers at NASA's Marshall Flight Center.

NASA iTech is an initiative to find and foster innovative solutions to challenges faced on Earth and in space.

BOSSARD

Bossard Opens New Facility In Boston

Bossard opened a new office and design center in the Boston area.

Bossard held a grand opening event on June 5 with a crowd of over 30 manufacturers and engineers from across New England in attendance.

The move to the new 100,000 sq. ft. facility, located at 2 Kay Way in Stoughton, MA, took place in February.

"The space was designed with education, hands-on experience with fastening solutions, Industry 4.0 driven supply chain management and cutting-edge testing services in mind," the company stated.

"It will provide a collaborative environment for Bossard customers to engage firsthand with Bossard's Assembly Technology Expert and Smart Factory Logistics services and solutions for application into their own assemblies and manufacturing process."

The facility includes an ISO Class 5 Clean Room. Clean Room applications include medical devices, robotics and vacuum environments where machining and particle contamination need to be controlled.

Arnold Industries, which Bossard acquired in 2016, moved its main office and warehousing to the facility in February.

Bossard North America operates facilities in the Midwest (Iowa, Illinois), Southeast (Georgia, Tennessee), Southwest (Texas, Arizona), and West Coast (California, Washington); Canada; and Mexico.

Switzerland-based Bossard posted record results for 2018, with sales rising 10.8% to CHF 871.1 million (US\$884.7 million) and "all market regions contributing." In the U.S., sales increased 9.4% to CHF 240.9 million.

US\$350,000 Paid As Cable Tie Manufacturers Settle Lawsuits

American Elite Molding issued two apologies and paid Advanced Cable Ties US\$350,000 to settle lawsuits.

AEM's statement on its company letterhead and signed by owner / president Robert Sires: "On May 11, 2018, American Elite Molding issued a media statement, which was emailed to the marketplace, concerning what AEM believed to be unfair labor practices at Advanced Cable Ties, one of its competitors. In that statement, AEM made misstatements of fact regarding ACT's employment of undocumented workers, including the statement that the workers were brought in from other countries and paid under the table. AEM made similar incorrect statements to members of the press."



“AEM’s statement were incorrect, as later evidence produced in a lawsuit between the parties has established. AEM unconditionally retreats the statements concerning allegedly undocumented workers at ACT. AEM regrets any damage these statements may have caused ACT. AEM and ACT have resolved their differences over this matter. We wish ACT nothing but success in the future.”

And second statement: “Advanced Cable Ties, Inc. sued its competitors, American Elite Molding, LLC and BuyCableTies.com, LLC in Federal Court alleging that from 2011 to present, Defendants imported various sizes of cable ties and accessories from China and Taiwan but improperly represented to their customers that all of their ties were manufactured in the USA at a facility in Florida. Defendants disputed the claim and the case has now been settled. Had the case gone to trial there was sufficient evidence to support a finding that prior to 2016, certain products that were not actually manufactured in the United States, were not clearly labeled as such on the website or in catalogue listings.”

The agreement between the competitors was signed by ACT president and co-founder Ken Tomasetti and Sires.

In 2016, ACT filed litigation in U.S. District Court as Advance Cable Ties, Inc. vs. American Elite Molding, LLC for violations of the Lanham Act, fraud and negligent misrepresentation.

The parties reached the agreement following “the exchange of substantial amounts of discovery.”

The agreement requires the parties not advertise or promote products including cable ties, clamps and mounting pads as “Made in the U.S.A.” unless manufactured in the U.S. Products sourced elsewhere will be accurately labeled with country of origin.

News of the suits was published in the May 29, 2018, issue of Fastener Industry News.

At the time Tomasetti termed the AEM lawsuit as a “retaliatory claim” by a direct competitor.

ACT earlier had sued AEM – known then as Bay State Cable Ties, in U.S. Federal Court “as a result of Bay State’s misappropriation of ACT’s trade secrets,” Tomasetti told FIN.

The new lawsuit by AEM also alleges ACT made false representations in the market and the U.S. government.

American Elite Molding had alleged that around 60% of ACT’s workforce is undocumented and provided by Twin City Temporaries Inc., “which brings workers in from other countries and pays them under the table to avoid taxes and payroll costs,” according to American Elite.

AEM is seeking unspecified monetary damages for ACT’s alleged use of workers who are not eligible to work in the U.S. (See FIN, May 29, 2019)

Gardner, MA-based Advanced Cable Ties was founded in 1994 and its website proclaims the company as “A rock solid U.S. manufacturing company.”

Founded in 1998 as Bay State Cable Ties, the name was changed to American Elite Molding in 1996. Crestview, FL-based American Elite manufactures nylon cable ties.

U.S. Fastener Importers Raise Prices to Counter Tariffs

U.S. fastener importers are raising prices in response to a tariff hike on fasteners from China. Brighton-Best International president Jun Xu said that his company has taken a “hybrid” approach to address tariffs. “We’ve had to increase our prices to compensate for the added cost of tariffs, and we’ve been looking to diversify our countries of origin,” Xu said.

Ohio-based Stelfast president Don Haggerty said that his company is also raising prices. “As we start to incur the additional cost on incoming product we will be adjusting our selling price,” Haggerty stated. “These price increases will be rolled out over the next couple of months.”

Xu said Brighton-Best was surprised by the tariff hike. “All indications have been that the negotiations were going well,” Xu stated. “At this point however, we believe the tariffs are a long-term issue as both China and the USA have entrenched themselves further into their corners.” In addition to price increases, both importers said they’re looking at sourcing fasteners from countries other than China to offset the tariffs.

Stelfast has reviewed pricing from China, Taiwan, Korea, Vietnam, Thailand, Germany, Italy, Croatia, India and Mexico, Haggerty said. In addition, both importers are looking to source fasteners from other countries. “We have begun moving production of several products to countries other than China to minimize the impact,” Haggerty said. Haggerty noted that resourcing fasteners comes with an increased cost on virtually all products. Fastener tariff hikes aren’t the only issue importers are trying to solve, according to Haggerty.

Xu said he does not expect a quick resolution to the U.S. tariffs. “The USA wants structural change in China’s economy and introduce new laws / enforcements around intellectual property protection among other issues,” Xu said. “China has made it clear it will not enforce any structural changes to its laws to placate the USA. “China is probably playing to wait out the Trump administration. So we do not believe this will go away anytime soon.”

Aerospace Fastener Stocks Outperform Industrials

The FIN Review of Fastener Stocks covers the fastener portion of 19 public companies. In the most recent quarter, aerospace fastener stocks replaced industrials as the dominant performer. Highlights include:

Arconic reported Engineered Products and Solutions (EP&S) revenue, primarily aerospace fasteners, increased 5% to US\$1.5 billion in the opening quarter



of 2019. Organic revenue grew 7%, driven by aero engine and defense growth. Segment operating margin was 16.8%, up 210 basis points year over year.

Bossard Group reports 2019 first quarter sales grew 5.4% to CHF 232.2 million (US\$230.1 million) despite “markedly more challenging business conditions,” Fastener + Fixing Magazine reports.

European sales increased 5.1% to CHF 138.9 million (+7.3% in local currency). U.S. sales dropped 4.9% to CHF 58.1 million due to subdued sales development with several major customers. Sales in Asia rose 16.6% to CHF 35.2 million (+17.7% in local currency).

Chicago Rivet & Machine Co. reported fastener segment revenues fell 15.1% to US\$7.6 million in the first quarter of 2019. Q1 sales to U.S. automotive customers declined 21.5% to US\$1.06 million. Production costs rose due to higher material costs related to U.S. tariffs on steel and aluminum instituted in 2018.

Fastenal reported sales of its fastener products grew 11.8% on a daily basis to US\$455.6 million in the first quarter of 2019, representing 34.8% of overall sales. Daily sales of fastener products increased to 13.5% in March, compared to a 12.4% rate of growth in March 2018. Q1 sales of non-fastener products rose 12.7% on a daily basis to US\$853.7 million in Q1, representing 65.2% of sales.

Grainger reported sales, including fasteners, increased 3% to US\$2.8 billion in the opening quarter of 2019, driven by a 3 percentage point increase in volume and a 1.5 percentage point increase from price. Operating earnings rose 8% to US\$363 million, with a margin of 13%.

Gross profit margin was 39.1 percent versus 39.5 percent in the 2018 first quarter. Q1 net earnings gained 9% to US\$253 million.

ITW reported revenue at its Automotive OEM segment, including fasteners, dropped 10.5% in the opening quarter of 2019. Segment operating income declined 23% to US\$167 million. During the same period, Construction Products revenue, including fasteners, dipped 6.3% to US\$401 million, with segment operating income down 8.4% to US\$87 million.

Stanley Black & Decker reported Engineered Fastening organic revenues during the first quarter of 2019 fell 4% “as automotive light vehicle production declines and lower system shipments more than offset continued fastener penetration gains.” Sales at the company’s Industrial segment, including fasteners, increased 10% to US\$555 million, despite a 3% decline in volume. Segment profit dropped 12% to US\$71 million.

TriMas reported first quarter sales at its Aerospace segment, which includes the Monogram Aerospace Fasteners, Allfast Fastening Systems and Mac Fasteners brands, increased 1.4% to US\$38.3 million due to steady demand levels for fasteners. Segment operating profit rose 25% to US\$5.7 million.



G.L. Huyett Opens New Tech Center

G.L. Huyett, headquartered in Minneapolis, KS, USA, opened a Technology Center in Sidney, NB, USA, to support the company’s belief in the future of B2B commerce in the industrial space as well as the increasing relevance of e-commerce. The new Technology Center is headed by Sarah Sinnett, VP of Technology and Marketing. She also sits on G.L. Huyett’s Executive Committee. And to lead the continued development of its e-commerce site, G.L. Huyett has also hired Alan Beard to the newly created role of E-Commerce Manager. The company has also hired Charles “Chuck” Hoffman as Special Projects Administrator to initiate a data analytics function.



Semblex Introduces Fastener for Light Metal Alloys

The newly introduced FastFlow™ FDS® from Semblex Corp., Elm-hurst IL, USA, has solved the cycle time challenge. The multi-helix thread design has reduced the thread forming and tightening stages by over 65%. When this is coupled with an aggressive programming strategy and the FastStart™ finding feature on the head, cycle times of 0.4 to 0.6 seconds can be achieved. FDS is a registered trademark of EJOT Verbindungstechnik GmbH.

Kevin Menke Honored with Top Annual Award from ASTM International Fastener Committee

ASTM International’s committee on fasteners (F16) presented its top annual award – the Award of Merit – to Kevin Menke, director of engineering, Fastenal, in Winona, Minnesota, USA. The prestigious award, is ASTM’s highest recognition for individual contributions to developing standards. The committee honored Menke for meritorious and dedicated service to the committee and in recognition of his strong commitment to ASTM International standards development, his respected technical expertise, exemplary professionalism, and tireless efforts towards consensus building.



SPIROL Completes Major Expansion at Connecticut World Headquarters

SPIROL employees, company executives, board members, state representatives, and other honored guests gathered to celebrate the completion of the major expansion to SPIROL's world headquarters and largest global manufacturing facility located in Danielson, CT, USA. The expansion that began in early 2016 includes significant additional manufacturing space, new state-of-the-art warehouses for raw material and finished goods, a new quality lab and office space, new flooring, updated lighting and significant investments in new production technology. Overall this effort expanded the manufacturing area by approximately 40%. Jeff Koehl, CEO and grandson of founder Herman Koehl, took to the podium to address all in attendance and express pride in the accomplishments of a small company that started 71 years ago with the invention of the Coiled Spring Pin. Today, SPIROL has grown to be an internationally recognized leading brand in the fastening, joining, and assembly industry with locations on 4 continents and 13 countries. In total, there are 13 manufacturing, sales and full service distribution facilities across North America, South America, Europe and Asia giving SPIROL a unique vertical position in today's dynamic market place.



Motor City Industrial Acquires Quality Fastener and Supply Co.

Motor City Industrial, LLC, Hazel Park, MI, USA, has announced the acquisition of Quality Fastener and Supply Co., Oxford, MI, USA. This represents the third acquisition by Motor City Industrial and further expands product and service offerings available to customers from diversified sectors and geographies. Quality Fastener and Supply Co. is a distributor of industrial consumables and ancillaries. Founded in 1982, Quality Fastener offers supply chain solutions for over 15,000 SKUs, serving a mix of blue-chip customers and local businesses through vendor managed inventory programs and maintaining an inventory of mission-critical components for just-in-time delivery. "We are excited to have the Quality Fastener team joining Motor City Industrial and look forward to our future together," Joe Stephens, CEO of Motor City Industrial added, "Jim Hiatt and John Shepard have built a tremendous company and we are thankful they have trusted us to continue this legacy." Motor City Industrial is a value-added distributor of fasteners and related consumable industrial products.



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