

# eI electroindustry

SEPTEMBER 15, 2005

WWW.NEMA.ORG

VOLUME 10 NUMBER 9

## Malcolm O'Hagan named recipient of ANSI Howard Coonley Medal

**NEMA** President Malcolm O'Hagan has been named the winner of the American National Standards Institute's Howard Coonley Medal. ANSI announced the recipients of its 2005 Leadership and Service Awards in mid-August. The Coonley Medal recognizes an executive that has rendered great service to the national economy through voluntary standardization, and has

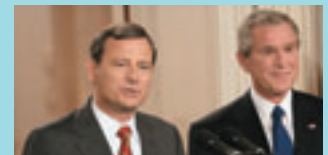
given outstanding support to standardization as a management tool.

O'Hagan, who has served as president of NEMA for 14 years, is retiring this year. During his tenure, NEMA contributed invaluable support to domestic, regional, and international standards activities, supporting scores of technical committees and providing

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**Jeffrey Immelt, chairman and chief executive of GE, shared his thoughts on a consistent policy for cleaner energy in the June 29, 2005 issue of the *Financial Times*.**



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# NAM supports Roberts Supreme Court nomination

The National Association of Manufacturers (NAM) in mid-August announced that it would support the nomination of Judge John Roberts to fill the seat on the Supreme Court left by the resignation of Justice Sandra Day O'Connor.

"This is the first time in our 110-year history that NAM has taken a position on a Supreme Court nomination," said NAM President John Engler. "Judge Roberts's record is one that fully qualifies him as a justice who will interpret the law as written, not an activist who will legislate from the bench. Business depends on a legal system that is fair and predictable."

NAM's Judicial Review Committee, comprised of senior executive officers and general counsels of large and small NAM member companies, reviewed Roberts's record according to five criteria related to his intellect, experience, integrity, judicial temperament, and understanding of the consequences of judicial decisions on business. The committee found Roberts to be well qualified in all respects.

"Many expensive problems in our legal system stem from judges acting as legislators," Engler said. "Judge Roberts has exhibited a commitment to interpreting the law as it was written by Congress, not according to his personal views. With justices like Judge Roberts on the Supreme Court, we can begin to reduce the exorbitant cost of our legal system that today consumes 2.3 percent of our GDP, an amount that is more than 10 times as high as that of any of our trading partners and has become an impediment to our ability to compete."

Engler said business can no longer afford to sit out Supreme



Court confirmation debates and allow them to be cast only in terms of social issues. "In reality, the vast majority of cases before the federal courts relate to business issues such as contract law, employment law, regulatory issues, and property rights," Engler said. "We have an interest in this confirmation and we intend to participate in the debate. NAM will reach out to its nationwide membership and call on other business organizations to exercise their First Amendment right to participate in this decision that is vital to business interests. We will focus special attention on the states of senators who may be undecided."

In a letter to NAM members, Engler recently said, "Few areas arouse the interest and ire of manufacturers more than the scandalous state of our legal system. Yet for too long we've been silent in this area while we tirelessly work the other two branches of government. Hard-fought gains made in those other two branches are often lost in the third branch. Some 80 percent of a federal judge's caseload consists of issues with a direct impact on manufacturers, like contract law, employment law, regulatory issues and property rights." ■

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# Energy bill replete with provisions beneficial to NEMA members, public

On August 8, President George W. Bush signed a sweeping energy bill, bringing to a close four years of tough political negotiating. The president said the legislation would strengthen the U.S. economy and eventually help make the country less dependent on foreign sources of oil. "The Energy Policy Act of 2005," he said, "is going to help every American who drives to work, every family that pays a power bill, and every small business owner hoping to expand."

NEMA was instrumental in the crafting of a number of key provisions in the bill covered in detail here.

## Energy Policy

The Energy Policy Act of 2005 contains cost-effective energy efficiency standards based on industry consensus standards. This includes those on compact fluorescent lamps, exit signs, and LED traffic signals based on Energy Star®. "All these prod-

ucts sold will now be required to be in the top tier of product energy efficiency ratings," explains Ed Gray, NEMA's director, energy infrastructure. A low voltage dry-type distribution transformer standard will cut the energy use by new commercial building transformers in half. Traffic signals using solid state lighting technology will save energy, increase the reliability and lifetime of signal lamps, and enable battery backup for critical intersections during power outages.

Some interest groups are pursuing product efficiency standards in state legislation, a proliferation which would ultimately increase costs to manufacturers and consumers and interfere with interstate commerce. The 2005 energy bill preempts future state-legislated standards for the products covered by federal legislation. "Many of the NEMA products in the bill are subject to potential state legislation, so

this provision is very valuable to NEMA members," says Gray.

The bill contains increased goals for federal energy efficiency, including federal building requirements that meet ASHRAE 90.1-2004 standards and a requirement for metering and sub-metering for federal facilities with real-time metering to reduce energy consumption and costs. The legislation requires the federal government to purchase energy efficient products, including mandatory purchases of NEMA Premium® Motors, and Energy Star or Federal Energy Management Program (FEMP) designated products, which are typically in the top 25 percent of energy efficiency. "The federal government is the nation's largest user of energy," says Gray. "Achieving these goals will result in enormous savings in both dollars and fuel." The bill also requires the Department of Energy to encourage standards for state government buildings and to provide grants for buildings that exceed the International Energy Conservation Code 2003 by 30 percent.

The Energy Savings Performance Contracts program has been extended. This program enables government agencies to use energy savings to pay for efficiency upgrades, saving energy and preserving program funds. Some NEMA members are major contractors for projects in this program. Numerous manufacturers will benefit from increased product sales.

## Research and Development

The Energy Policy Act of 2005 includes provisions to improve research and development or provide funds for (1) energy efficient technology for construction or retrofit of buildings; (2) the



WHITE HOUSE PHOTO

President George W. Bush holds the box containing the 1,724-page energy bill after signing the H.R. 6, The Energy Policy Act of 2005, in Albuquerque, New Mexico, Monday, Aug. 8, 2005. Also on stage from left are Congressman Ralph Hall (R-TX), Congressman Joe Barton (R-TX), Senator Pete Domenici (R-NM) and Senator Jeff Bingaman (D-NM). NEMA President Malcolm O'Hagan was also in attendance.

National Building Performance Initiative; (3) the Secondary Electric Vehicle Battery Use Program, which would interest NEMA's battery section and uninterruptible power systems manufacturers; and (4) advanced energy efficiency technology transfer centers, one of which NEMA could potentially manage. NEMA already manages the Industry Alliance for the Next Generation Lighting Initiative.

The act also authorizes funding for distributed energy systems and high voltage transmission lines, as well as advanced electric transmission and distribution technologies that enhance reliability, operational flexibility, or power-carrying capability. Funding is authorized for demand response technology, metering, high temperature superconductors, and advanced grid tools for operation and planning. This part of the bill includes a power delivery research initiative to develop facilities to test components incorporating high temperature superconductors.

Funding for solid state lighting—the research program supporting the NEMA-sponsored NGLIA—is also included.

### Transmission, Distribution, Distributed Power Policy

Currently, states have permitting authority and often have no incentive to approve siting for power lines that do not significantly benefit their own state. The new legislation gives federal eminent domain transmission siting for electric transmission corridors that are in the national interest. "This provision will spur the construction of new power lines," says Gray.

The act requires the Federal Energy Regulatory Commission to issue a rule providing incentive-based rates for interstate transmission in areas where transmission congestion is prevalent, reducing costs to customers and incenting line construction and upgrades. It also would require FERC to encourage the deployment of advanced trans-



(l-r): Jerry Simmons, deputy director for energy sciences, Sandia National Laboratories; Bob Simon, minority staff director, Senate Committee on Energy and Natural Resources (pointing to section of the Energy Policy Act of 2005 that establishes the Next Generation Lighting Initiative, for which NEMA manages the Industry Alliance of companies.); M. George Craford, chief technical officer, Lumileds Lighting (member of NEMA and the Next Generation Lighting Industry Alliance) and recipient of the 2002 National Medal of Technology presented by President Bush.

mission technologies.

The Department of Energy is authorized to establish a technology incentive program to support the deployment of advanced power system technologies, such as fuel cells, turbines, hybrid power systems, and power storage systems used to generate or store electricity.

In the past, compliance with reliability standards was voluntary, and utilities often failed to make investments necessary to assure a robust electric grid. "The new act includes mandatory and enforceable transmission reliability standards," says Gray, "which are intended to increase compliance and attention to the grid, with a resulting increase in investment."

Two provisions of the act will improve efficiency and result in increased demand for metering products. States and unregulated municipal utilities that have not already addressed the issue of smart metering must now consider implementing a requirement that utilities offer time-based rate schedules and provide the necessary meters. States will also be required to consider

implementing a requirement that utilities make net metering—when the customer only pays for the net energy from the utility, by subtracting the energy generated on site—available to any electric consumer.

The legislation includes requirements for utilities to offer generator interconnection in accordance with IEEE Standard 1547 for interconnecting distributed resources with electric power systems. "This requirement should increase the market for distributed power systems and components," says Gray.

### Taxes

Buildings will be eligible for a tax deduction of \$1.80 per square foot for efficient commercial property, which is defined as 50 percent more efficient than a building designed to ASHRAE/IESNA standard 90.1-2001. An additional high-efficiency lighting provision of up to \$0.60 per square foot is permitted until the DOE and IRS promulgate regulations on how to handle individual systems that achieve the 50 percent reduction for the overall building.

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# A consistent policy on cleaner energy



**By Jeffrey Immelt,  
chairman and chief  
executive of GE.  
Reprinted from the  
*Financial Times*  
Comment Section,  
June 29, 2005.**

The U.S. and Europe differ over many things, some ordinary—such as what kind of game football is—and some vital to the core of our respective cultures, helping to keep us distinct and, in turns, engaged and exasperated.

Still, there are many more areas where we agree and I believe we are now moving toward increasing agreement on an issue that is neither ordinary nor unique to the U.S. or Europe: that we must revolutionize how we produce and con-

sume energy and commit ourselves firmly to reducing emissions in our shared environment.

Diminishing oil and natural gas reserves, continued reliance on imported and sometimes unstable energy sources, price volatility, and global climate concerns demand that we do so. It will require three elements: the brain power to develop new technologies, a market that is open to these technologies, and the wills of our elected leaders, those in industry, and those committed to progress.

It will take work to gather these elements together, but the prospect of success is growing. Since the 1990s, innovations in dramatically cleaner energy have emerged not just in the U.S. and Europe but in China, India, and elsewhere. Their common

denominator has been a target of higher efficiency, lower cost, and fewer emissions—such as that found in cleaner coal applications that could shave millions of tons of carbon dioxide from current emissions levels.

As this formula is followed and these technologies take hold, we enhance our potential to succeed, but a viable market must exist. Encouraging signs of such growth are emerging, in companies themselves but also in the capital markets.

In June alone, two of Silicon Valley's top venture firms invested nearly 33 million euro (\$40 million) in solar energy companies. While such "clean tech" investment represented just 2.6 percent of North American venture capital in 2004, that is double the level of 2000. In a recovering capital market, these numbers show that we are crossing the threshold where solving energy and environmental problems is the profitable thing to do as well as the right one and where fewer pounds of emissions can mean more pounds on the bottom line.

General Electric is putting its money where its mouth is. We are committed to doubling annual investment in clean energy technology research and development to 1.25 billion euro.

Instead of a top-down approach that could potentially stifle creativity and innovation, we are investing most of our new funding at the research level, making sure that these new funds go directly into those innovation engines that offer the most promise. We also plan to double energy-efficient product revenues over the next five years and will lead by example by making big cuts in our own greenhouse gas emissions. If GE were to continue to grow as we project, by 2012 our emissions would have gone up more than 40 percent. Instead, we are committed to reduc-

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# Economic decisions may undermine electrical safety in various jurisdictions

Citing a responsibility to attract business and to create jobs in a soft economy, three adjacent Northwest states have implemented rules that reverse or eliminate portions of their electrical safety programs.

The trend started in Washington in 2002 when the Electrical Division of the Department of Labor & Industries promulgated rules to recognize international standards for industrial utilization and control equipment, even though many of those standards are not harmonized and may not be compatible with the U.S. electrical safety system. Washington will certify this equipment after only a cursory review of the standard used to construct it. No NRTL testing, certification, or evaluation of the gear is required. The rule was implemented because of pressure from a small number of manufacturers on the legislature to “streamline” the approval process, even though the entire electrical industry in the State of Washington voted to reject the rule at the 2002 Electrical Technical Advisory Committee meeting.

Oregon has responded to the Washington rule by simply declaring that industrial equipment is not subject to permitting, inspection, or any sort of third party certification or evaluation. Further, it does not require that the equipment be installed, maintained, or modified by licensed individuals. In a separate action, the Oregon Electrical Board decided that even unanticipated and non-factory approved modifications to industrial equipment do not present a safety concern. The modifications were thus included in the language drafted to implement the industrial exemption. The final language of the rule is:



“Industrial electrical equipment designed for and used directly in the production of a product, which, due to the equipment’s design or use, requires specialized and specific training in the process, function, design, modification, repair or maintenance of the equipment is exempt from permits, specifically for repair, modification, or maintenance. Individuals performing work under this rule are exempt from licensing.”

In addition to the industrial exemption, the Oregon Electrical Policy Committee also exempted switches from any listing requirements or from any standards. The action was requested by a utility that has been turning medium voltage systems over to its customers. When an electrical system is no longer owned and maintained by the utility, it falls under the requirements of the National Electrical Code and local electrical regulations. Because the utility wishes to sell and to maintain

the customers equipment under contract, it asked that the listing requirements for such equipment be waived since the equipment is specified and inspected by utility personnel. The committee structured the exemption so that all switches sold and installed in Oregon are exempt from listing, labeling, or field evaluations and may be built to any standard.

The local representative of Underwriters Laboratories and NEMA’s field representative cautioned that the wording opens up Oregon to mismatched and non-compatible equipment and that the proposal goes far beyond the original intent of the request from the utility. The concerns were noted, but not acted on by the committee.

Oregon and Washington have both scaled back their electrical plan review functions in an effort to streamline their processes. Washington has excluded some life-safety

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## Jeffrey confirmed by Senate as 13th NIST director

The U.S. Senate recently confirmed William Alan Jeffrey, a veteran manager of federal science and technology development, as the 13th director of the U.S. Commerce Department's National Institute of Standards and Technology (NIST).

Jeffrey, 45, was nominated by President Bush on May 25, 2005, to succeed Arden Bement, who was appointed director of the National Science Foundation in November of last year. NIST Deputy Director Hratch Semerjian has served as acting director in the interim.

"I'm very pleased to welcome Bill Jeffrey to the Department of Commerce team," said Commerce Secretary Carlos Gutierrez. "He brings a strong background in science and technology policy and the practicalities of research management to one of our nation's finest research laboratories and an institution whose work affects almost every aspect of our daily lives."

Jeffrey has been involved in federal science and technology programs and policy since 1988. Previous to his appointment as director of NIST he served as senior director for homeland and national security and as the assistant director for space and aeronautics at the Office of Science and Technology Policy (OSTP) within the Executive Office of the President. Prior to that, he was the deputy director for the Advanced Technology Office and chief scientist for the



Tactical Technology Office with the Defense Advanced Research Projects Agency (DARPA). While at DARPA, Jeffrey developed research programs in communications, computer network security, novel sensor development, and space operations.

Prior to joining DARPA, Jeffrey was the assistant deputy for technology at the Defense Airborne Reconnaissance Office, where he supervised sensor development for the Predator and Global Hawk Unmanned Aerial Vehicles and the development of common standards that allow for cross-service and cross-agency transfer of imagery and intelligence products. Jeffrey also spent several years working at the Institute for Defense Analyses performing technical analyses in support of the Department of Defense.

He received his Ph.D. in astronomy from Harvard University and his B.Sc. in physics from the Massachusetts Institute of Technology. He resides in Herndon, Virginia.

## REGAL-BELOIT celebrates 50 years of operation in 2005

REGAL-BELOIT Corporation is marking 50 years in business this year. Originally called Beloit Tool Corporation, the company began in 1955 in Beloit, Wisconsin, producing special metalworking tools quickly and shipping them 24 hours within receiving an order. That fast service, which was unprecedented in the industry at that time, propelled the company, starting with just three men and a few machines, to five decades of success.

REGAL-BELOIT has grown exponentially. In 1967, the company diversified into the power transmission product line with the purchase of its Durst division. By 1980, the company had grown to \$40 million in sales with the acquisitions of numerous gear drive companies, positioning REGAL-BELOIT as a leader in power transmission components.

The company entered the global marketplace in 1991 with the purchase of England's Opperman Mastergear, Ltd. By 1996, annual sales had reached \$281 million. In 1997, REGAL-BELOIT doubled in size by adding electric motors and generators to its product portfolio with the purchase of Marathon Electric Manufactur-



ing Corporation of Wasau, Wisconsin. The acquisitions of Lincoln Motors in 1999 and LEESON Electric in 2000 solidified its leadership position in the electric motor marketplace. At the end of 2004, the company doubled in size again with the purchase of the commercial and HVAC motor and capacitor business from General Electric.

REGAL-BELOIT serves an expansive array of markets, including HVAC, food processing, medical, material handling, petro-chemical, construction, manufacturing, agriculture, and mining.

Today REGAL-BELOIT has sales of over \$750 million, and yet maintains its original product line, now known as Regal Cutting Tools. It is a leading international manufacturer of electrical and mechanical motion control components, operating 21 companies with over 65 manufacturing and service and distribution facilities throughout the United States and in Canada, Mexico, Europe, and Asia. The company operates two main groups—the electrical group, including five companies that manufacture electric motors, and the mechanical group, including 16 manufacturers of generators, controls, gear products, metal cutting tools, and related products.

From AC electric motors, electric generators, mechanical gear drives and transmissions, electronic switchgear, and high-speed cutting tools, REGAL-BELOIT's products are not always visible, but they are essential to the operation of much of the equipment that powers the world.

## CSA International expands lighting services through new Atlanta facility

CSA International recently announced the establishment of an 8,000 square foot lighting and electric laboratory facility in Alpharetta, Georgia. The laboratory, formerly owned by LTG Services Incorporated, is located north of Atlanta and will be officially opened in September 2005.

"Opening this laboratory is in response to the needs of our clients in the lighting sector and is in line with our commitment to expand operations and services in the U.S.," says Randall W. Luecke, president, CSA International. "The need to provide timely, trustworthy, and highly efficient services to new and existing clients in the lighting sector was instrumental in the decision to proceed with this strategic business initiative. It increases overall capabilities and capacities in this geographic area of the U.S. and ideally positions CSA International to better deliver regional and local certification and testing services as new and redesigned products emerge in the lighting sector."

The new location is CSA International's third U.S. laboratory, with other certification and testing operations in Cleveland, Ohio, and Irvine, California, and joins field offices in Charlotte, North Carolina; Chicago, Illinois; Dallas, Texas; and Nashville, Tennessee.

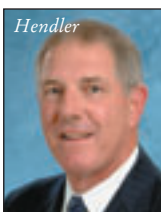
The new laboratory, formerly operated by LTG, includes the specialized equipment enabling CSA International to test lighting products to requirements of the Energy Star program. The Energy Star program is a U.S. government-backed initiative designed to help businesses and individuals protect the environment through better energy efficiency. Products with the Energy Star certification mark meet strict energy efficiency guidelines set by the Environmental Protection Agency and the U.S. Department of Energy.

This program is important to lighting manufacturers and CSA because energy efficiency standards are increasingly becoming part of building requirements. Specifiers and consumers are demanding products that meet these requirements, including energy efficient lighting fixtures. By offering this capability, CSA international will provide a broader set of services to light-

ing customers, and provide one-stop shopping for certification and energy efficiency testing for both Canada (Energy Efficiency Verification) and the U.S. (Energy Star).

## Leviton names Hendler, Sokolow to top positions

Harold Leviton, president and chief executive officer of the Leviton Manufacturing Company, recently announced two key executive management appointments, naming Donald J. Hendler as president and



Stephen B. Sokolow as vice chairman of the Board of Directors. Hendler has served the company in a career spanning three and a half decades. Sokolow has been with the company for 43 years. Harold Leviton will continue in his role as CEO, which he has held along with the position of president, since 1965.

"It is with great pleasure that I appoint Don Hendler to succeed me as president. Don has guided us through a period of dynamic growth and market expansion. I am sure he will continue to lead us with wisdom and insight through the challenges of our ever-evolving industry. I am equally delighted to announce Steve's appointment as vice chairman of the board. Steve has restructured many of our key internal business processes to make us a hallmark for efficiency and success in our industry," Leviton said.

In a career of more than 35 years, Hendler has held several key positions at Leviton. In his most recent post as executive vice president, he directed strategic planning, human resource and distribution initiatives, as well as sales, marketing and product development for Leviton and its subsidiaries, Leviton Canada, and American Insulated Wire. He has also held various positions of prominence within the industry. Hendler has served on the Education Foundation for the National Association of Electrical Distributors (NAED) and

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## Rapid gains in energy putting strong upward pressure on broad price indices

	May 2004	Jun 2004	Jul 2004	May 2005	Jun 2005	Jul 2005
<b>INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION</b>						
Industrial production, manufacturing (Index, 1992 = 100)	117.1	116.9	117.8	120.7	121.2	121.4
Percent change, year over year				3.1%	3.7%	3.0%
Industrial production, electrical equipment (Index, 1992 = 100)	84.8	86.8	88.4	88.4	88.1	—
Percent change, year over year				4.2%	1.5%	—
Capacity utilization, manufacturing (percent)	76.7	76.5	77.0	78.1	78.3	78.3
Purchasing Managers' Index (value > 50 indicates expanding economy)	62.6	61.2	61.6	51.4	53.8	56.6
<b>CONSTRUCTION</b>						
Housing starts, single family (millions of units, SAAR)	1.649	1.526	1.661	1.724	1.703	1.711
Percent change, year over year				4.5%	11.6%	3.0%
Housing starts, multi family (millions of units, SAAR)	0.325	0.301	0.325	0.317	0.342	0.331
Percent change, year over year				-2.5%	13.6%	1.8%
Nonresidential construction, Lodging (billions of dollars, SAAR)	11.272	11.671	11.993	11.540	11.435	—
Percent change, year over year				2.4%	-2.0%	—
Nonresidential construction, Office (billions of dollars, SAAR)	33.710	33.368	34.324	33.834	34.120	—
Percent change, year over year				0.4%	2.3%	—
Nonresidential construction, Commercial (billions of dollars, SAAR)	61.314	62.174	64.09	65.345	65.610	—
Percent change, year over year				6.6%	5.5%	—
Nonresidential construction, Healthcare (billions of dollars, SAAR)	27.290	27.193	27.498	27.128	27.711	—
Percent change, year over year				-0.6%	1.9%	—
Nonresidential construction, Communication (billions of dollars, SAAR)	12.801	12.628	13.051	14.298	14.994	—
Percent change, year over year				11.7%	18.7%	—
Nonresidential construction, Electric Power (billions of dollars, SAAR)	23.691	22.884	24.688	25.340	24.149	—
Percent change, year over year				7.0%	5.5%	—
Nonresidential construction, Manufacturing (billions of dollars, SAAR)	22.454	20.927	22.481	27.688	27.571	—
Percent change, year over year				23.3%	31.7%	—
<b>EMPLOYMENT</b>						
Employment, electrical equipment, NAICS 335 (thousands)	446.1	446.8	447.3	443.6	440.3	440.2
Percent change, year over year				-0.6%	-1.5%	-1.6%
Unemployment (percent, SA)	5.6	5.6	5.5	5.1	5.0	5.0
<b>PRICES AND INTEREST RATES</b>						
Consumer price index (percent change, prior period)	0.6	0.3	-0.1	-0.1	0.0	0.5
Percent change, year over year				2.8	2.5	3.1
Producer price index, finished goods (percent change, prior period)	0.6	-0.1	0.1	-0.6	0.0	1.0
Percent change, year over year				3.5	3.6	4.6
Interest rate, 3-month Treasury (constant maturity, annual yield)	1.04	1.29	1.36	2.90	3.04	3.29
Interest rate, 10-year Treasury (constant maturity, annual yield)	4.72	4.73	4.50	4.14	4.00	4.18
Spread (10-year yield minus 3-month yield)	3.68	3.44	3.14	1.24	0.96	0.89
<b>MANUFACTURERS' SHIPMENTS AND INVENTORIES</b>						
Value of Shipments: Electric Lighting Equipment (billions of 1996 dollars, SA)	1.021	0.963	1.043	1.021	1.016	—
Percent change, year over year				0.0%	5.5%	—
Value of Shipments: Electrical Equipment (billions of 1996 dollars, SA)	2.735	2.711	2.787	2.997	2.983	—
Percent change, year over year				9.6%	10.0%	—
Value of Inventories: Electric Lighting Equipment (billions of 1996 dollars, SA)	1.458	1.497	1.495	1.530	1.522	—
Percent change, year over year				4.9%	1.7%	—
Value of Inventories: Electrical Equipment (billions of 1996 dollars, SA)	3.961	3.983	4.026	4.282	4.329	—
Percent change, year over year				8.1%	8.7%	—
Inventory to Shipment Ratio: Electric Lighting Equipment (billions of 1996 dollars, SA)	1.428	1.555	1.433	1.499	1.498	—
Percent change, year over year				4.9%	-3.6%	—
Inventory to Shipment Ratio: Electrical Equipment (billions of 1996 dollars, SA)	1.448	1.469	1.445	1.429	1.451	—
Percent change, year over year				-1.3%	-1.2%	—

SA—Seasonally Adjusted SAAR—Seasonally Adjusted Annual Rate

Tim Gill, (703) 841-3298; e-mail: tim\_gill@nema.org

# NEMA *in* Brazil

## *Leveling the competitive playing field*

From its humble origins, NEMA's office in Brazil has grown into a strong advocate for members seeking a level playing field in the Brazil marketplace.

Established in 1999 with the help of a grant from the U.S. Department of Commerce Market Development Cooperator Program, NEMA Brazil offers association members a wide range of services, including standardization and conformity assessment consulting, market data gathering and analysis, and liaison with governmental and quasi-governmental entities that have influence over technical and trade policy in Brazil.

The Brazil office, a 1,000 square-foot space with three meeting rooms, is located in São Paulo. The city, capital of the state of São Paulo, boasts a population of over 40 million. The state is the industrial and financial center of Brazil, generating over 30 percent of Brazil's gross national product.

According to the office's general director Hilton Moreno, "In the beginning, we were mostly focused on our participation in technical meetings of the Brazilian Association of Technical Standards (ABNT) in order to guarantee that



Moreno

NEMA member products could be traded in the marketplace without encountering technical barriers. We also started to participate in important trade shows and organize trade missions of NEMA members to Brazil."

"As we evolved," says Moreno, "we built strong relationships with local trade associations, including those representing electrical manufacturers, lighting manufacturers, electro-medical manufacturers, electrical designers, product dis-

tributors, contractors, and cable manufacturers."

Moreno says the number of companies taking advantage of



Elias

NEMA services is growing rapidly. There is good reason for this. The sales and marketing manager for GE Consumers and Industrial, Rodrigo Elias, notes that "Brazil, where we have 6,000 employees, is a big market with a

*A view of NEMA's office in Brazil*





(TOP): (l-r) Malcolm O'Hagan, Sales Manager, Lincoln; Edson Urtado, Sales Manager, Hypertherm; Erasmo Lima, Country Manager, Hypertherm; Ubirajara Pereira da Costa, Country Manager, Miller; Waldemir Macari, 3M, General Manager Electro & Communications Business; and Hilton Moreno. (BOTTOM, LEFT): Hilton Moreno in the NEMA Brazil office. (BOTTOM, RIGHT): Décio Norberto Gomes, NEMA staff.



great business potential due to its population, size, and its need of infrastructure and economic development. These characteristics lead to aggressive competition among market players and drive prices down. With profit margins compressed, high import tariffs serve as a serious obstacle to successful market entry of non-local competitors.”

The country manager for ITW Welding Brazil, a unit of Illinois Tool Works, Ubirajara Pereira Da Costa, says the biggest problems confronting his company in the Brazil market are



Da Costa

“local competitors selling products using old technology with no added value, high tariffs and taxes on imported products, and a lack of market data.” ITW has a total of 5,000 employees in Brazil.

According to NEMA’s Moreno, the association has already had a significant impact on the tariff issue. “We are now in the final stages of a long process related to arc welding products that are exported by our members to Brazil. These products usually have an import duty of 18 percent. We’ve worked along with our members to reduce it to zero or two percent depending on the specific type of welding product. Brazilian authorities accepted our petition. The tariff reduction proposal is now being considered by Mercosul authorities (Argentina, Paraguay, and Uruguay).” Mercosul is an organized trading area with common external tariffs.

Da Costa says NEMA’s office in Brazil is actively working with ITW towards its market goals and has “played an important role in our campaign to lower tariffs, an

outcome that will benefit end-users as well as manufacturers.”

João Salgado, president of Cooper Power and Cooper Bussman, agrees with Da Costa. Cooper Power Systems



Salgado

established a presence in Brazil in May of 1995, with the Cooper fuse division, Bussman do Brasil, follow-

ing in 1997. “One of our main challenges,” says Salgado, “is to be able to market products with world-wide quality, as well as local content, in order to avoid local import duties.”

Another common cause of concern among members in Brazil is the lack of market data and analysis. GE’s Elias notes that “the lack of accurate statistical information on the electrical market contributes to a disorganized marketplace. It is hard to analyze and make decisions about areas that might demand more investment and to identify the need for new products and brands.” ITW’s Da Costa says, “The lack of information about market share by process and product hurts our ability to plan strategically.”

One of the most important reasons members turn to NEMA, of course, is the need to ensure fair processes for standards development and conformity assessment processes. “Our participation with standards organizations has been beneficial,” says NEMA’s Moreno. “We are partnering with our members to find ways to remove technical barriers to trade, which can be formidable.”

Salgado says, “We have to counteract the long-established European presence and the consequent emphasis on IEC standards. It is important that North American standards become established here as well.”

Waldemir Macari, general manager of 3M’s Electro & Communications Business in Brazil, says,



Macari

“NEMA is providing solid support to us in standards and certification for PVC electrical tapes at Mercosul and COBEI, the Brazilian Electrotechnical Committee. NEMA is our voice in the IEC world here in Brazil, helping us to exact a better balance between European and American interests.”

GE’s Elias is very straightforward about the issue. “We have to face the fact,” he says, “that some European companies have been working to introduce technical barriers to trade through the Brazilian standardization and conformity assessment systems. In some cases, American products suffer with this practice.”

Elias says NEMA has been there to help. “We have been working closely with the NEMA office in Brazil in order to overcome the technical standards and conformity challenges. NEMA had a fundamental role in every aspect of the recent discussions on the controversy surrounding circuit breaker technical standards [which pitted North American style circuit breakers against IEC style products, even though the electrical installation code is designed to permit either type to be safely used.]”

NEMA Brazil, as successful as it has been, still has some distance to travel to take advantage of its full potential. Moreno says, “Many local organizations welcome the presence of NEMA in Brazil and want to work with us in order to create a favorable business environ-



(TOP): (l-r) Michael K. Johnson, General Manager; Claudio Baldoni Junior, Project Manager; Hilton Moreno; Malcolm O’Hagan; Raul Victor Groszmann, Customer Services Manager; Elcio Pereira, Quality Manager. (BOTTOM): (l-r) Moreno, Moacyr Rogério Senns, WEG Managing Director, and O’Hagan.

ment. They see the presence of NEMA as an opportunity. And yet, there are a few others who look at us as a threat, as a competitor, and as a foreign organization that

should not be involved in Brazilian domestic issues.”

Those few happen to be of disproportionate importance to the industry. “Because we are deemed

to be a foreign organization,” says Moreno, “we are not permitted to have a seat on the councils or management boards of entities such as The Brazilian Association of Technical Standards (ABNT), or Brazil’s National Institute of Metrology, Standardization and Industrial Quality (INMETRO). ABNT is the official representative in Brazil of the ISO, the IEC, COPANT (the Pan American Standards Commission), and MERCOSUL. Among other things, INMETRO coordinates the compulsory and voluntary certification of products, processes, and services, and oversees accreditation activities of calibration and testing labs, proficiency test suppliers, and inspection and certification bodies.

Until policy changes, NEMA has been finding other ways of influencing the standards community. “We work very closely with NEMA member affiliates in Brazil, encouraging them to join ABNT and INMETRO. We also participate directly in technical committees, which have open access, and where the standards are actually developed. We also leverage our relationships with local trade associations to get our voice heard in policy-making circles.”

Indeed, NEMA has amply illustrated its ability to affect the development of codes and standards and protect its members. During the most recent revision of the Brazilian low voltage electrical code, which began in 2000 and was brought to conclusion in 2004, some interests worked to prohibit the inclusion of North American style residential circuit breakers. NEMA worked with its members and was able to overcome its opposition. In turn, opponents tried to have the product standard revoked, but in the face of NEMA’s challenge, again failed to reach their objective, i.e., keeping NEMA-UL residential circuit breakers out of the Brazilian marketplace.

## NEMA Brazil Office Portfolio of Services

### STANDARDIZATION AND CONFORMITY ASSESSMENT

For NEMA members in the U.S.:

- Consulting service on standardization issues in ABNT;
- Consulting service on standardization issues in AMN (Mercosul);

For NEMA member affiliates in Brazil:

- Consulting service on standardization issues in ABNT;
- Consulting service on standardization issues in AMN (Mercosul);
- Consulting service on standardization issues in IEC;
- Consulting service on standardization issues in COPANT (American Hemisphere);
- Consulting service on standardization issues in the USA;
- Consulting service on standardization issues in CANENA (NAFTA);
- Consulting service on products within NEMA scope of products.

### MARKET INTELLIGENCE

For NEMA members in the U.S. and Brazil:

- Monthly report with information on Brazilian standardization, conformity assessment, market intelligence, trade shows, and seminars;
- Annual market guide for each NEMA section of products with information on standardization, conformity assessment, imports, exports, marketplace, local suppliers, trends, magazines, trade shows, economics.

### NETWORK

For NEMA members in the U.S. and Brazil:

- Contact with local certification organizations;
- Contact with local associations of manufacturers, distributors, contractors and other organizations;
- Contact with local trade magazines.

### BUSINESS

For NEMA members in the U.S. and Brazil:

- Participation in trade shows;
- Participation in technical congresses and seminars;
- Facilitation of development of new business opportunities, partnerships, suppliers, distributors, etc.;
- Consulting service on import duties reduction;
- Market statistics;
- Meeting rooms.

“This was a victory not only for our manufacturers,” says Moreno, “but for the free market and for the consumer who now can take advantage of this important safety device.”

As much as they are pleased with what has been done so far, NEMA companies expect NEMA Brazil to be of even greater help to them in the future. Says GE’s Elias, “The presence of NEMA in Brazil must

be reinforced and increased, particularly in forums that make Brazilian standards and in certain trade associations. We look to both our highly qualified NEMA representative here, as well as staff at the NEMA headquarters, to help us maintain our competitiveness in Brazil.” ■

Hilton Moreno, 55-11-3817-5941  
 e-mail: [hiltonmoreno@uol.com.br](mailto:hiltonmoreno@uol.com.br)  
[www.nema.org/stds/international/brazilstandards.cfm](http://www.nema.org/stds/international/brazilstandards.cfm)

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## U.S. foreign sales corporation tax revision is ruled illegal

In late July, the World Trade Organization ruled that a revision to the U.S. foreign sales corporation tax law, designed to counter objections raised by the European Union and comply with earlier WTO decisions, was illegal. The decision re-opens a tax dispute that has been going on between Washington and Brussels for decades. Pursuant to an earlier WTO decision against the FSC program a few years ago, the European Union imposed penalty tariffs on many U.S. products, including a very small number of electrical goods. Congress subsequently approved an extraterritorial income provision that was meant to correct the problem. Washington will now be appealing this latest decision, though this is unlikely to prevail. The EU has threatened to re-impose penalty tariffs later this year.

John Meakem, (703) 841-3243

e-mail: joh\_meakem@nema.org

Craig Updyke, (703) 841-3294

e-mail: cra\_updyke@nema.org

## President Bush names anti-piracy coordinator

President Bush has created a senior U.S. government position to coordinate Washington's international intellectual property enforcement efforts. Chris Israel, deputy chief of staff for Commerce Secretary Carlos Gutierrez, has been appointed as inter-agency Coordinator of International Intellectual Property Enforcement. Israel earlier served as deputy assistant secretary for technology policy. In his new role, he will head the international work of the National Intellectual Property Law Enforcement Coordination Council, as well as play a key role in the administration's STOP (Strategy Targeting Organized Piracy) Initiative.

John Meakem, (703) 841-3243

e-mail: joh\_meakem@nema.org

## NAFTA partnership initiative to step up border cooperation

Announced by the leaders of the U.S., Canada, and Mexico during a meeting earlier this year, the Security and Prosperity Partnership (SPP) will feature crosscutting security and prosperity components such as:

- The establishment of a single, integrated North American Trusted Traveler Program—featuring a single application portal and dedicated port-of-entry lanes—in less than three years.
- The development of a coordinated strategy by 2006 to combat counterfeiting and piracy in North America.
- Common principles for e-commerce, streamlining regulation, simplifying trade flows, and cooperation in making air transportation, energy, steel, automotive manufacturing, and other economic sectors more competitive.
- Enhanced cooperation on public health and safety protections related to the safety of consumer goods and agricultural products.

Unfortunately, the SPP does not address one of NEMA's top trans-national concerns, namely Mexican refusal to implement its North American Free Trade Agreement commitment to recognize the testing and certification conducted by non-Mexican testing laboratories.

John Meakem, (703) 841-3243

e-mail: joh\_meakem@nema.org

## NEMA opposes battery recycling bills on both coasts

Mark Kohorst, senior manager for environment, health, and safety, and member companies within NEMA's dry battery product group have been working with legislators in both New York and California in an effort to forestall comprehensive battery recycling legislation. California proposed a bill that would have required all household batteries to be recycled, despite the fact that no collection infrastructure exists within the state and materials in household batteries cannot readily be recycled. The sponsor subsequently amended the bill so that it applied only to rechargeable batteries, for which a nationwide recycling program already exists. NEMA continues to be concerned with portions of the bill that pertain to collection and publication of sales data.

Meanwhile, a member of the New York City Council proposed legislation that would mandate household battery recycling within the city of New York. Kohorst and representatives of the battery industry met with the bill's sponsor in July and

he agreed, as was done in California, to rewrite the bill to encompass only rechargeable batteries. The industry has proposed an additional change that would remove the mandate for recycling and make it a voluntary activity, but this issue remains unresolved. Kohorst expects that additional meetings and discussions with legislators in both New York and California will take place over the coming weeks.

Mark Kohorst, (703) 841-3249

e-mail: mar\_kohorst@nema.org

## Movement continues towards biomonitoring legislation in California

On June 15, the California Environmental Safety and Toxics Materials Committee approved Senate Bill 600, which would establish a statewide "biomonitoring" program to track the presence of lead, mercury, pesticides, and other chemical contaminants in the human body. The intent of the bill is to provide the state with a mechanism for pinpointing localities with unusually high exposure rates of certain chemicals, and to identify links between environmental contaminants and various diseases. NEMA has joined with a broad coalition of industry groups to oppose this bill, arguing that while biomonitoring can provide useful data to physicians and researchers, the California program risks being scientifically unsound and enormously costly.

Mark Kohorst, NEMA's senior manager for environment, health, and safety, notes that "SB 600 disregards a central principle of the science of toxicology—that degree of toxicity is dependent on dose. The California program would lead regulatory officials to take actions based on mere detection of environmental chemicals, without any evidence of adverse health effects." The coalition opposing the bill does not oppose biomonitoring *per se* as an investigative technique, but believes that SB 600 is not structured to rely on scientifically sound, peer-reviewed procedures for interpreting biomonitoring results. NEMA will continue to work with the coalition to track this bill and assess its implications for the electrical manufacturing industry. ■

Mark Kohorst, (703) 841-3249

e-mail: mar\_kohorst@nema.org

## O'Hagan named to CSA board

NEMA President Malcolm O'Hagan has been appointed to the CSA International Board of Directors. CSA, established in 1919 in an effort to make Canada's railways safe, has at the beginning of the 21st century become a leader in standards development, certification and testing, and management registration services.

"It is a great honor to have been invited to serve on the board of CSA," says O'Hagan. "As a board member, I will be able to share the perspective of manufacturers who are committed to safety and quality and who rely on CSA and others to help them fulfill that commitment."

O'Hagan has worked for years to strengthen relationships with the Canadian standards group and other Canadian entities and to create a dynamic between the two countries that is conducive to free trade. He was instrumental in brokering an agreement between CSA and UL that established a mutual acceptance program for electrical programs.

"The cooperative agreement between CSA and UL," says O'Hagan, "is of great value to NEMA members and I will continue to encourage both organizations to build on the substantial progress that has been made to date."

O'Hagan's term on the board runs from September 2005 to September 2007.

## NEMA to launch online conformity assessment guide; considering market access consulting service

NEMA has converted its *Conformity Assessment Guide*, a document for manufacturers of electrical equipment that sets forth general conformity assessment practices affecting importing and exporting, to an online, continually updated format available only to subscribers. The guide was available September 1, 2005.

NEMA is also actively considering offering market access consulting services through its regional offices located in Mexico, Brazil (including South America), and China.

The intent of the new *Conformity Assessment Guide Online* is to help manufacturers increase international market

access through a better understanding of the applicable conformity assessment practices and regulations.

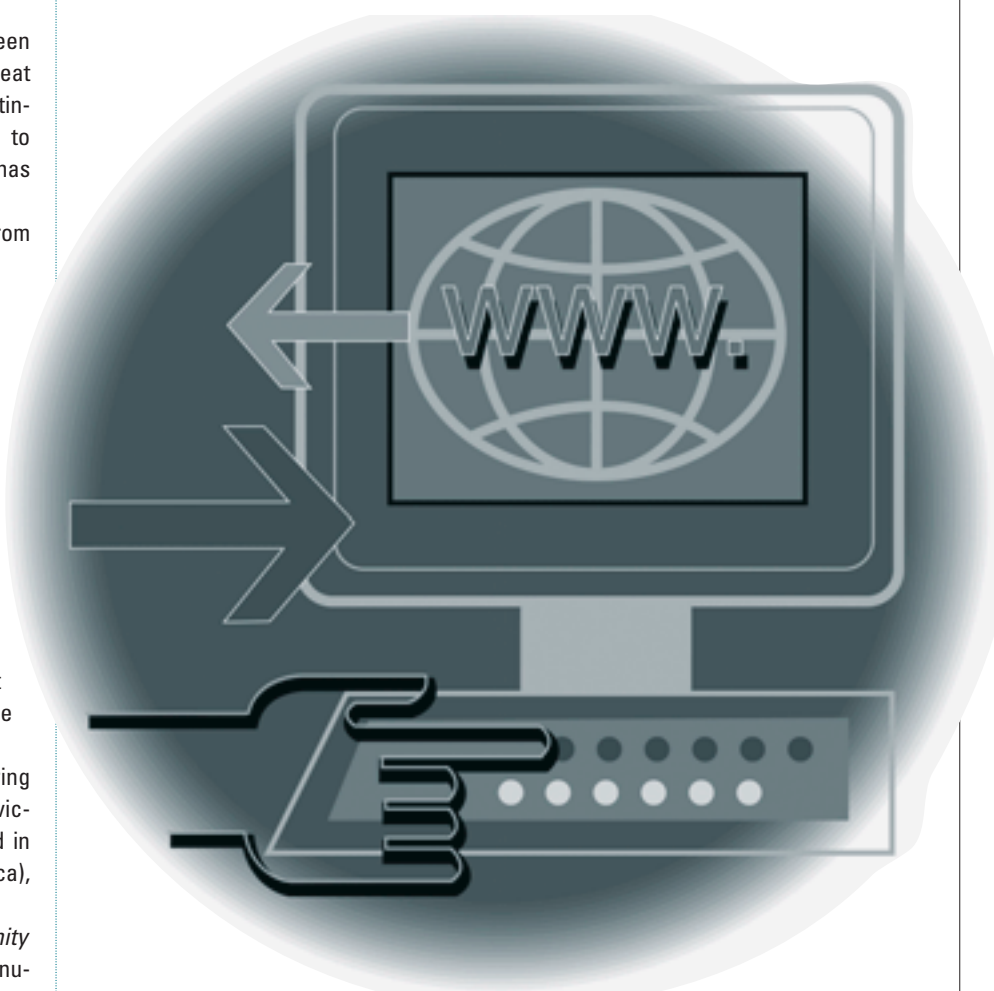
The *Conformity Assessment Guide Online* lists practices related to product certification, marking, and acceptance of test reports and certificates, including those related to the international product schemes of IECEE CB and IECEx. This guide provides value by reducing the confusion that is currently experienced by manufacturers attempting to get products accepted in the international marketplace.

The online edition includes revised information based on organizational changes and feedback received from readers of the original hard copy edition. The guide's points of contact throughout North and South America, Asia, and Europe have been updated and expanded to provide readers with the latest information. It will be updated often to

remain a valuable resource.

"The online guide will serve as a good road map for companies wishing to handle their own product testing and certification management. We also believe a need exists for a consulting service to help companies manage the administrative burdens of gaining test certificates and meeting importation requirements in markets where certification and testing requirements can be confusing," says Doug Read, NEMA's conformity assessment manager. "We hope we can help manufacturers navigate the often muddy waters of importing products to foreign countries."

Subscriptions to the new *Conformity Assessment Guide Online* may be purchased by visiting [www.nema.org/caguide](http://www.nema.org/caguide). For more information about the Conformity Assessment and Market Access Consulting Service, contact Doug Read at [dou\\_read@nema.org](mailto:dou_read@nema.org).



## Work on harmonizing IEC and North American UPS safety standards begins

Long awaited harmonization of international and U.S.-Canadian binational standards for the safety of uninterruptible power systems (UPS) will officially get underway this month. As reported in the July edition of *electroindustry*, NEMA hosted the September 12-16 meetings of IEC/TC 22 and several of its subcommittees, one of which is SC 22H with responsibility for UPS standardization.

IEC SC 22H recently formed MT 4 for the maintenance of IEC 62040-1-1, *General and safety requirements for UPS used in operator access areas*. The chief task of MT 4 will be to revise the IEC 62040-1-1 standard, harmonizing its safety requirements with those contained in CSA C22.2 No. 107.3 and UL 1778. With NEMA providing industry guidance, CSA and UL requirements have been harmonized for some years now and the CSA and UL standards have been approved and published as U.S.-Canada binational standard. NEMA continues to be involved in the maintenance of the binational standard, but with the expectation that over time the binational standard will be simply an adoption of the harmonized IEC standard.

In preparation for the September meeting of SC 22H/MT 4, the UPS committee of NEMA's Power Electronics Section has been reviewing the technical differences between the binational and IEC standards and determining areas where the binational standard can adopt IEC requirements, and developing justifications for areas where the binational cannot adopt IEC requirements. In the latter case, proposals will be made for MT 4 to modify the requirements of IEC 62040-1-1. Key differences between IEC and the binational standard that have been thus far identified include requirements for: a controlled environment, supplementary protectors, markings, overcurrent and ground fault protection, backfeed protection, direct current-sensitive GFCIs, and ventilation and hydrogen gas concentration.

Harmonization of these standards will be a multi-year effort, but will be facilitated by the fact that both standards use versions of IEC 60950 (Information Technology Equipment) as their base reference document, and that a "pre-harmonization" meeting of IEC and NEMA experts was held in February 2005 that served to foster a climate of cooperation and commitment to this effort.

Greg Winchester, (703) 841-3299  
e-mail: gre\_winchester@nema.org

## Planned revisions to fittings standard will recognize new raceway and cable products

In 2004, CANENA Technical Harmonization Subcommittee (THSC) 23A began processing amendments to the first edition of UL 514B / CSA C22.2 No. 18.3 / NMX-J-017-ANCE, the trinational *Standard for Safety for Conduit, Tubing and Cable Fittings*. By the end of 2005, important revisions to this standard that take into account the introduction of new raceway and cable products introduced into the marketplace will have been proposed.

One of these products is Extra-Reduced Wall Flexible Metal Conduit (XRWFMC), the requirements of which were introduced into UL 1, *Standard for Safety for Flexible Metal Conduit* in May 2003. Unlike standard FMC and reduced-wall FMC, XRWFMC has no restrictions on the thickness of the metal tape that makes up its construction. The objective of the subcommittee is to approve amendments to the present requirements for flexible metal conduit fittings to include the use of XRWFMC with these fittings.

One amendment would restrict the types of fittings that can be used. Specifically, those employing a direct-bearing setscrew as the means for securing to cable or raceway would not be permitted, since the pressure from applying torque to the screw could degrade the mechanical integrity of conduit made with an aluminum wall. Another amendment will add new carton marking requirements for fittings to enable installers to identify those fittings suitable for use with XRWFMC, steel or aluminum.

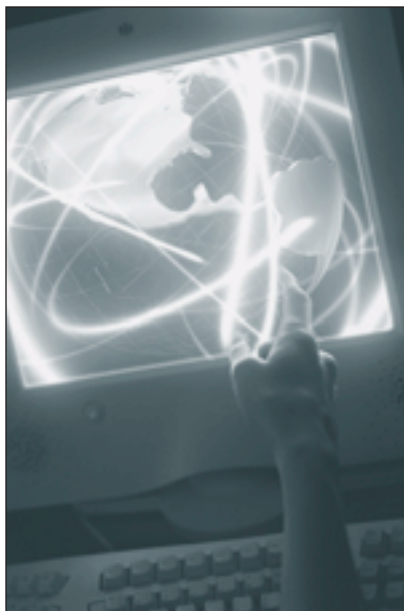
Other amendments to the trinational fittings standard will recognize the introduction of a relatively new construction of metal-clad cable in UL 1569, *Standard for Safety for Metal-Clad Cables*, which employs a full size grounding/bonding conductor in contact with the cable's interlocked armor to serve as the grounding path, in accordance with NEC® Section 250.118(11)(a). The revision proposed for the fittings standard would modify the fault current test procedure to include the option of testing interlocked armor ground metal-clad cable in addition to smooth-sheath or continuous-corrugated metal-



clad cable. New marking requirements will also be proposed to enable installers to identify those fittings suitable for use with new interlocked armor ground metal-clad cable construction.

Richard Temblador of Southwire Company says, "This revision is critical to the cable-to-fitting system. Ultimately, installers who choose the interlocked-armor-ground construction will be able to readily identify fittings that have been tested and identified for use with this product."

*Mike Leibowitz, (703) 841-3264  
e-mail: mik\_leibowitz@nema.org*



### New services available on field representative web page

Two new services will soon be available on the NEMA Field Representative web page.

Called "Meet a Field Rep," the page now provides information on the current month's itinerary of the four field representatives. Those interested in speaking with a field representative in person or having one attend a meeting can use this feature to find out when a representative will be in their area. All field representatives are more than willing to meet with members; a call is all that is necessary.

Want to know what electrical code is currently being enforced in any state? For several years the field reps have been tracking the adoption of the National Electrical Code in states and major metropolitan areas in their territories. That informa-

tion will soon be available at no charge to NEMA members, and through a subscription service to non-members.

The field rep web page may be accessed at [www.nema.org/stds/fieldreps/meet\\_fieldrep.cfm](http://www.nema.org/stds/fieldreps/meet_fieldrep.cfm).

*Vince Baclawski, (703) 841-3236  
e-mail: vin\_baclawski@nema.org*

### Data show improvement in standards development time

"NEMA standards take too long to develop." This lament has been voiced by NEMA members from time to time. But do the data support this contention? NEMA has taken several steps over the past few years to address this member concern, and recent data show that this may no longer be the case.

Several years ago NEMA president Malcolm O'Hagan initiated an excellence program, with the objective of improving NEMA's internal processes. Staff was provided training on process improvement, most notably through General Electric's Six Sigma training program. Within the Engineering Department, now known as Technical Services, several projects were initiated to improve the standards development process, focusing particularly on the time required to develop NEMA standards.

Among the specific actions taken were the following:

- Teams were set up to focus on specific parts of the standards development and publications process.
- A database established in the mid-1990s was expanded to cover the

entire standards development process from project inception to publication.

- NEMA's Communications Department participated in this process improvement effort by focusing on the editing and publication processes.

Based on analysis of the data collected, changes were implemented in several parts of the process.

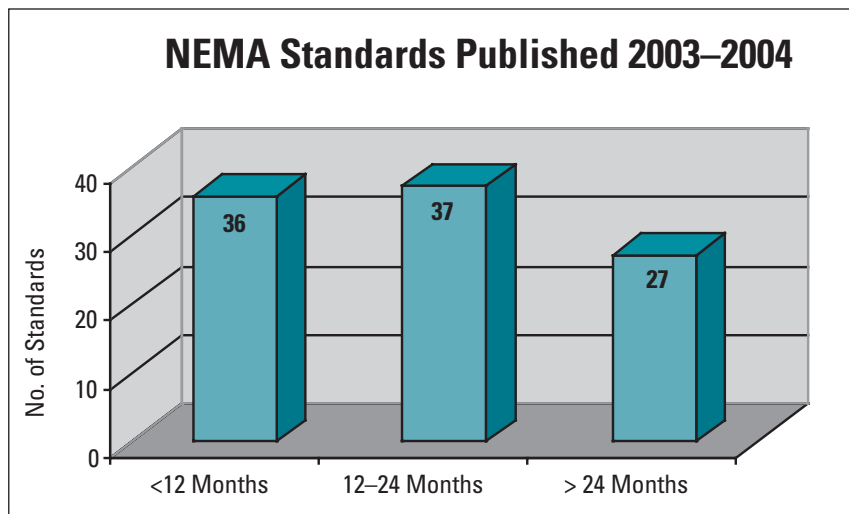
Some process steps, such as editing, were paralleled with other steps to speed the overall development time. Schedules were put in place for standards projects and reviewed regularly by technical committees responsible for the standards. Closer tracking of standards was implemented within the Technical Services Department. Finally, a Fast Track standards development process was developed and made available to the NEMA sections.

Fast Track is an agreement between a NEMA section, Technical Services, Communications, and the Codes and Standards Committee to complete a standards project within a specified number of months (i.e., 22 months beginning in 2006).

So what do the data show about the time to develop and publish NEMA standards?

Of the 70 NEMA standards published in 2003 and 2004, 25 standards took 12 months or less to complete, 26 standards took between 12 and 18 months, and 19 took more than 24 months. In other words, 73 percent of NEMA standards published during that two-year period were completed in two years or less. ■

*Vince Baclawski, (703) 841-3236  
e-mail: vin\_baclawski@nema.org*



**O'Hagan...** *from page 1*

leadership in several organizations, including ANSI, the International Electrotechnical Commission (IEC), and CANENA.

NEMA has been a leader in pursuit of standardization, not only to ensure the production of safe and effective electrical equipment, but to level the playing field in international trade. O'Hagan has helped make NEMA, representing a \$120 billion industry worldwide, a strong advocate for standardization and facilitation of trade. He has had a great impact on the electrical manufacturing industry's ability to enter and be competitive in various markets around the world, and in helping to create a rational, sensible approach to standards and conformity assessment. O'Hagan was a leading advocate of establishing NEMA offices in Brazil, Mexico, and China, offices that work collaboratively with the

U.S. government and standards organizations to eliminate technical barriers to trade. He developed a strong government affairs team that won government support for voluntary standards programs that promote safe, energy efficient, and environmentally sound products.

O'Hagan's leadership brought together CSA International and Underwriters Laboratories, helping them come to an agreement to accept each other's test data for a broad range of products. This eliminated redundant testing and facilitated market entry.

"Malcolm O'Hagan has been selected by the ANSI Board of Directors Awards Committee to receive this award in recognition of his many contributions to the voluntary standardization community," said Dr. George W. Arnold, chairman of the ANSI board, "and for his personal involvement in

advancing the use of standardization as a management tool."

Before joining NEMA in 1991, O'Hagan was president of the Valve Manufacturers Association of America. He previously was president of the American National Metric Council, a private, non-profit organization on U.S. metric activities. He also served in the Carter and Reagan administrations as executive director of the U.S. Metric Board, an independent government agency.

Others named by ANSI as 2005 award winners are the following: Charles Piersall, the Astin-Polk International Standards Medal; Mark Eyer, the Finegan Standards Medal; Albert Brazauski, the Edward Lohse Information Technology Medal; Nina McClelland, the George S. Wham Leadership Medal; Andrew Updegrove, the President's Award for Journalism; and Arden Bement, the Chairman's Award. ■

**Energy bill...** *from page 5*

Finally, new electric transmission property contracted for and placed in service after April 11, 2005, will now be treated as 15-year property for depreciation purposes, rather than 20-year property, providing incentive for development. The incentive is available for new power lines, upgrades to existing lines, or capital improvements to existing lines.

"After years of debate and division, Congress passed a good bill," said the president. "I'm confident that one day Americans will look back on this bill as a vital step toward a more secure and more prosperous nation that is less dependent on foreign sources of energy."

Work needed to implement the legislation now begins. NEMA's attention will thus turn to the pertinent regulatory agencies, including the Department of Energy, the Federal Trade Commission, the Federal Energy Regulatory Commission, the Treasury Department, and the Internal Revenue Service. ■

**Cleaner energy...** *from page 6*

ing them by one percent.

Climate change will top the agenda at the Group of Eight summit ... and we support the European Commission's proposed directive to improve energy efficiency and manage energy demand. We also applaud the UK government's recent decision to invest £40 million (\$73 million) in cleaner electricity generation from coal and gas as well as for hydrogen and fuel cells.

However, these commitments and the prospect of exciting new technologies mean little if elected leaders on both sides of the Atlantic—along with industry and other stakeholders—cannot work together to develop coherent processes and consistent policies.

In the U.S., the lack of a coherent energy policy has slowed the exploitation of new developments. While great progress has been made, we have failed to realize fully the opportunities that exist in wind, solar, clean coal, nuclear power, and other renewable resources. The result

is that the U.S. has watched Europe and others advance, strengthening their economies, and security.

I am not talking about "one-policy-fits-all" but simple consistency. GE has business in hundreds of countries and more than 300,000 workers—more than 85,000 of them in Europe alone. For us to remain competitive, we simply cannot navigate a regulatory maze that forces us to tweak and modulate every product and process to suit individual regulatory regimes at their whim. All that we ask for—and this will allow us to grow as a healthy, responsible company—is consistency.

Policies with a commitment to market-based approaches will drive innovation and lead to the prospect of startling environmental improvements. The U.S. and Europe stand at a crossroads, where the cooperative efforts of governments, industries and interested stakeholders can change the course of the world. Taking the proper path will not be easy, cheap or quick. But nothing worthwhile ever is. ■

**Electrical safety... from page 7**

reviews for such installations as fire alarm systems, nurse call systems, emergency, and legally required systems. Only line-voltage systems in health care, educational, and institutional facilities require plan review. Oregon has recently exempted all state electrical plan review except for "complex systems." The definition of complex electrical systems is still not precisely defined.

In Idaho, discussions have recently been opened to implement a contractor self-certification program for electrical code compliance. The state is faced with limited resources and a legislature that is unwilling to increase funding for code and compliance efforts.

Because contractors have been vocal at the board meetings for more compliance effort on contractor and installer licensing, the board is entertaining the notion of certifying contractors to inspect their own work. While the idea is in the beginning stages of discussion, it may represent a serious departure from the balanced and coordinated principles of a harmonized electrical safety system. The board members are struggling with the logistics of how to determine which contractors would be allowed to self-inspect, what types of work, how to monitor the program, and how to justify excluding contractors.

All of the above actions, either planned or implemented, are inconsistent with the NEMA position of an effective electrical safety system as outlined in the document "The Strengths of an Effective Electrical Safety System." Weakening or eliminating parts of the system, say officials, potentially compromises the safety of the installer, maintenance personnel, and the public in general. NEMA will continue to monitor and engage these jurisdictions in an effort to restore the integrity of the system of electrical code, installation, and product standards. ■

Joe Andre, (425) 415-7471  
e-mail: jnemaandre@cs.com

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has been a member of NEMA's Government Relations Committee. In addition, he has served on the advisory committees of both IMARK and Affiliated Distributors.

Sokolow began his career at Leviton in 1961, working his way up over the years from his start as a summer intern to facilities manager and numerous other positions before being appointed executive vice president. In this post, he directs the company's manufacturing, engineering, distribution, and information technology operations.

Sokolow has served the industry as technical chairman and chairman of the Electronic Data Exchange Committee of NAED, NEMA, and NEMRA and currently serves as chairman of NEMA's Wiring Device Section. He is a recipient of *Electrical Wholesaling* magazine's prestigious GEM (Ganzenmuller Electrical Marketing) Award, which honors those who lead a company to greatness in electrical marketing.

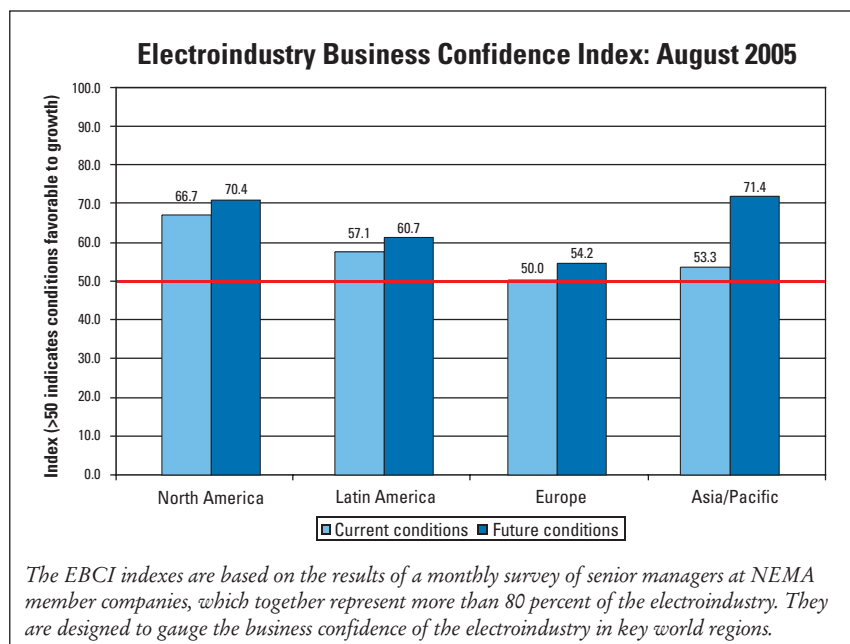
**August 2005 NEMA Electroindustry Business Confidence Index**

Reflecting other positive indicators of economic and manufacturing activity released in recent days, NEMA's Electroindustry Business Confidence Index (EBCI) for current conditions in North America climbed to its highest level in

more than a year in August. North American business sentiment strengthened to 66.7 points, jumping from July's 62.9 point reading, and marking the 28th consecutive month in which current conditions have registered in excess of the 50-point threshold indicating sectoral expansion. Results from the future conditions index hinted at more positive news to come, with a reading of 70.4 points, its highest since March of this year.

Confidence in both current and future conditions across the other three world regions included in the survey all reached or exceeded 50 points in August for the first time in several months. The current conditions index for Latin America climbed to 57.1 points from 55.6 points a month ago. Future sentiment for the Latin America market, meanwhile, dropped to 60.7 points from 72.2 points. Current conditions for the Asia/Pacific region slipped to 53.3 points, while future sentiment was more optimistic than a month ago, rising to 71.4 from 63.9 points. Meanwhile, the European region showed the most marked improvements, with both current and future conditions rebounding from very low readings in the 30-point range in July. Current conditions climbed to 50 points in August, while expectations for conditions six months hence rebounded to 54.2 points. ■

Tim Gill, (703) 841-3298  
e-mail: tim\_gill@nema.org



## Schneider Electric Square D, Eaton recognize and promote IDEA services for distributors

Schneider Electric Square D and Eaton Corporation's electrical business recently announced a new offering for distributors participating in the Schneider Electric Premier Program and Eaton's Commitments Program, respectively. Their distributors can now use marketing development funds to cover 50 percent of the Industry Data Exchange Association (IDEA) start-up fee.

Schneider Electric recognized an immediate need for an offering that provides their distributors with an opportunity to gain value and efficiency by implementing e-commerce services. Schneider Electric supports IDEA products and services through participation in the Industry Data Warehouse 2 (IDW2), Data Audit and Certification (DAC), Industry Retail Database (IRD) and the Industry Data Exchange 2 (IDX2) programs.

In the past, Eaton has allowed distributors to use co-op funds to cover 50 percent of the purchase of personal computers to enable Eaton e-commerce tools. Now Eaton is going a step further, allowing distributors to use available co-op funds for partial reimbursement of the IDEA start-up fee.

According to Schneider Electric's vice president of channel management, Bill Snyder, the company decided to fund half of the IDEA start-up fee through its Premier Program MDF to help their distributor partners engage in e-commerce and encourage other manufacturers in the channel to add a similar incentive to their co-op programs. By taking advantage of the Schneider Electric MDF, distributors can reap productivity gains from the efficient flow of electronic orders, invoices, and SPA claims through the IDX2. Distributor gross margins, IDEA officials say, are enhanced by using certified

manufacturer product and pricing data from the IDW2.

Eaton has realized the benefits and needs for their customers to become more electronically capable. With this new program and Eaton's recent Data Audit Certification through IDEA, Eaton hopes its distributors will use IDEA as a means to efficiently update their pricing and product data. Eaton has found that when orders are electronically processed, the error rate is reduced. This helps eliminate the usual problems of returns, and freight and customer shipment delays.

"Eaton has found ... that e-commerce reduces costs for both Eaton and our distributors, reduces order-to-delivery time and increases accuracy," said Channel Operations Manager Kevin Hestad.

"Schneider Electric has been a staunch industry advocate since IDEA was established in 1998," says IDEA President Mike Rioux. "The Schneider Electric Premier Program sets a new benchmark that makes distributor participation in IDW2 and IDX2 a slam-dunk. In the end Schneider Electric and its Square D distributor trading partners will reap payback many times over and we hope that other manufacturers will consider similar innovative ways to implement e-commerce technology with their trading partners."

"The Eaton Commitments Program is making distributor entrée to IDEA and participation in IDW2 and IDX2 a no-brainer," he says. "Both Eaton and its distributor trading partners will reap great productivity gains through the data synchronization efficiencies and service features of IDW2 and IDX2. We are most appreciative of Eaton's commitment and this innovative offer to implement e-commerce technology with their trading partners." ■



**Editor in Chief**

Rae Hamilton .....703/841-3256

**Managing Editor**

Natalie Fern.... nlfern@worldnet.att.net

**Contributing Editors**

Imola Ekart .....703/841-3283

Edith Kolodny-Nagy ...703/841-3225

Jason Peak .....703/841-3222

Cheryl Smith.....703/841-3286

**Design and Production**

The Magazine Group ....202/331-7700

Chad Townsend, Art Director

**DEPARTMENT EDITORS**

**Spotlight on the Economy**

Tim Gill .....703/841-3298

**Standardization Trends**

Al Scolnik .....703/841-3282

**Washington Report**

Kyle Pitsor .....703/841-3274

**ADVERTISING**

**National Advertising Director**

Holly Townsend .....301/215-6710

*electroindustry* (ISSN 1066-2464/USPS 009-669) is published monthly by the National Electrical Manufacturers Association, 1300 North 17th Street, Suite 1752, Rosslyn, Virginia 22209; (703) 841-3200. FAX: (703) 841-5900. NEMA members receive 12 issues of *electroindustry* with their membership dues. Subscriptions are \$106 per year. ©2005 by NEMA. Periodicals postage paid at Arlington, VA, and additional mailing offices. **POSTMASTER:** Send address changes to: National Electrical Manufacturers Association, 1300 North 17th Street, Suite 1752, Rosslyn, VA 22209. [www.nema.org](http://www.nema.org)

The opinions or views expressed in *electroindustry* do not necessarily reflect the positions of NEMA or any of its subdivisions.

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