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MWANB Takes on Liability Insurance Issue

The following article was taken from the January 9th edition of the Saint John Telegraph Journal

"Province won't help with business insurance"

ROGER LEBLANC
Telegraph-Journal

New Brunswick businesses are facing massive insurance hikes, but the province says it can offer no help. After being peppered with calls for action to deal with skyrocketing auto insurance rates, the province created a special committee a year ago to investigate the matter and come up with a list of recommendations. The government is currently reviewing the report and trying to find ways of going further.

But similar assistance won't be coming anytime soon for businesses facing hefty liability insurance hikes, Justice Minister Brad Green said Wednesday. Liberal MLA Bernard Richard brought the issue to the floor

of the legislature when he noted small and medium-sized businesses are starting to feel the pinch of rising liability insurance costs. He cited a letter from the Metal Working Association of New Brunswick sent to the Department of Natural Resources saying some companies were facing increases of 200 to 2,000 per cent.

"Many small businesses, as well as non-profit groups, are facing enormous increases in liability insurance," Mr. Richard told the legislature. "For some small businesses, it means a loss of jobs." The business sector has been hit hard by liability insurance rates with one Member Company paying an additional \$36,000 last year and then another \$50,000 this year, said Michael Vincent, the Metal Working Association's executive director. He said the firm cited had gross sales in the \$10-million range. Mr. Vincent said horror stories are being swapped across the country. He said one company in Newfoundland saw its premium go from \$1,500 to \$25,000.

"It's crazy. It's not just New Brunswick. It's right across the country," Mr. Vincent said.

"Originally we thought this would be a one-shot deal because of the huge losses (insurance companies) had last year. Now it's the second year and we're being hit by more."

The province has been working on addressing private auto insurance for more than a year, Mr. Richard noted, and asked the government if it was willing to do the same for the business sector. But Mr. Green said the two insurance sectors couldn't be compared. The province acted on auto insurance rates because it felt it had a role to play in stabilizing rates. "The suggestion that we may be able to here, as the provincial government in New Brunswick, to do something about the costs to business with liability insurance - I suspect that's really beyond our control," Mr. Green said. "It's certainly not apparent to me there's something we can do that would have a significant effect."

The government may use legislation to address the cost of auto insurance, he said, such as with how people are compensated for soft-tissue injuries or how the territorial system works. But liability insurance rates are a global problem connected to the Sept. 11, 2001 terrorist attacks in the United States. "Are we as a provincial government in New Brunswick going to be able to fix it? No,

we are not," Mr. Green said. The Metal Working Association wants the government to create an independent consultant to study the insurance industry. At the very least, Mr. Vincent said, the province could put its support behind national efforts to approach Ottawa for help.

"Morale support at the least," he said. "If we sit back and don't say anything, nothing will get done. Let's look at what can be done." Companies that can't afford this "ransom" are cutting back their insurance coverage or structuring themselves to automatically dissolve and reopen under a different name should a hefty liability issue arise, Mr. Vincent said. That will harm those seeking financial help and the province's reputation as a whole, he added.

Industry Consultation Planned

The MWANB, with the assistance of ACOA, will be conducting a consultation with industry to develop a market development strategy for the New England and southern US market. The daylong session will be held in Fredericton and will have representation from both the fabrication and machining sectors. The results of this meeting will be

presented in a study to the industry for implementation. Your participation is crucial to the outcome of this study. Please refer to the enclosed notice for more details.



Supervisory Course Scheduled

A supervisory course has been scheduled for the Metal Working Sector beginning on March 18 in Moncton, and March 19 in Saint John. This course is a three day course and will run one day every two weeks. Please refer to the enclosed notice for more details.

Upgrade Your Welding Skills

NBCC Moncton is offering a six-week welding upgrading course, beginning February 3, 2003.

If you are interested in registering, or need more information, please contact Carolyn Walsh at (506) 856-2555, or by email at carolyn.walsh@qnb.ca

COMPANY PROFILE: Atlantic Industries Ltd.

Working with Molten Zinc



Atlantic Industries Limited

Atlantic Industries Limited, (AIL), was formed in 1965 by the late John Wilson, P. Eng., who had a big vision, and lots of passion and drive. He began to make corrugated steel pipe in the plant that he set up in Dorchester, New Brunswick, a small community with a commanding view of

the Bay of Fundy. Dorchester remains as head office for the multi-national company, but it now manufactures and distributes more than 24 different product lines and is managed by Mike Wilson, P. Eng., one of John's five sons. Mike joined his father after completing an engineering degree at UNB in 1975 and a six-year stint as a highway engineer in Alberta. Together they decided to grow the Atlantic Canada based business, which today has offices across Canada and manufacturing facilities for its corrugated metal products in six Canadian provinces.

In 1981, they began expanding beyond the standard corrugated steel pipe market, and in 1982 diversified into PVC pipes. Engineered products followed, as did an expansion of their galvanizing division. In 1982 Mike Wilson, now the company president, designed and built a galvanizing plant for the company in Dorchester. From 1970 until 1982, the company's galvanizing had been located in Amherst, Nova Scotia to centralize the sales for the Maritime market. By 1981, the company's galvanizing expertise was well established and its customer



Pre and post-galvanized post tensioning return loops for the Confederation Bridge

base secure, so to construct a new plant in Dorchester, New Brunswick, next to their manufacturing facility, was feasible.

Today, Tim MacDonald, CET, is the Sales Manager for AIL's galvanizing and spiral duct products. Tim, a 30-year veteran with AIL, has a broad based knowledge of all of AIL's other products and doesn't hesitate to sell them if an opportunity arises. Tim has a good-natured ability to guide customers and prospective customers through the steps required to prepare product for galvanizing.

"We can galvanize almost any steel product and give it a longer life," says Tim, "but unless certain steps are followed, results can be poor and even dangerous. Part of my role is to educate our clients about what needs to happen in the manufacturing process prior to our customer's product arriving at the galvanizing yard. Enclosed pieces that will be dipped in the molten zinc, which is maintained at a temperature of 845 degrees Fahrenheit (400 degrees Celsius), need vent and drain holes to allow for the steel to be submerged properly in the galvanizing kettle and to prevent accidents. If there isn't a properly placed vent and/or drain hole, then the piece just won't sink in the zinc. If the piece doesn't have a properly placed drain hole, moisture from the



pickling process can be trapped. Moisture at high temperatures turns to steam and this can happen so fast in the galvanizing process that explosions can occur. So each piece we agree to galvanize must be carefully checked for proper placement of vents and drains. If these are missing or inadequate, we can do one of two things: take the piece back to the customer or add the vents and drains ourselves, but the ideal situation is to receive pieces that have been properly prepared for galvanizing, so a good portion of my job is spent stressing the importance of this one small, but vital detail.”

AIL has many galvanizing customers throughout the Atlantic region; no project is too small and very few are too large for them to handle. Says MacDonald, “We work with independent fishermen to protect the steel parts on their boats from the corrosive effects of salt water and we worked on post-tensioning return loops for the Confederation Bridge and many other mid-sized projects in between, including: nuts and bolts, pipe support brackets and structural steel sections for the Irving Refinery in Saint John; decorative hand rails for many customers including Mount Allison University in Sackville; safety platforms for discharge stacks for the Weyerhaeuser Pulp Mill in the Miramichi; angle frames, dead-end supports, steel tubes, cross members and anchor bolts for New Brunswick Power Commission sub stations throughout the Province; galls frames, A-frame rigs, winches, and scallop tables for the fishing and aquaculture industry; and protective ice shields for submerged bridge supports, bridge drains, bridge rails and even service boats for the highway transportation projects throughout Atlantic Canada and Quebec.”

A staff of 17 employees work between one and three shifts daily to meet the needs of customers and to complete necessary galvanizing on AIL products, such as Bolt-A-Bin® cellular retaining structures, guardrail, wire retaining walls, and Super•Cor® box culverts and arches. The galvanizing process, which begins with careful cleaning of the steel with hydrochloric acid, has been termed a fine art in knowing how long to leave the steel in the kettle. If you leave it too long, it will build up the coating thickness well beyond the required specification and may cause aesthetic problems. If not left in the molten zinc long enough, the molten zinc attached to the steel will not be “boiled off”, which will cause the coating to be very thick and irregular. To this end, AIL is fortunate in that our senior galvanizer, Reg Burnett, who began with the galvanizing division while located in Amherst, NS in 1974, has attained a lot of skill and expertise in this procedure of the galvanizing process, and knows that a good dip through the kettle means a good product going out the door to our customers.

AIL, with its quality assurance program as certified by QMI and experienced personnel like Tim and Reg, are able to supply galvanized coatings with a predictable service life. 610 grams of zinc coating applied per square metre and coated to CSA specifications, will give a 42-52 year service life in a rural environment. Most AIL products that have been galvanized have had a maintenance-free service life for over 30 years. AIL is often able to complete orders in the same week or even day, and careful communication between designers, fabricators, and galvanizers allows AIL to produce a top-quality, finished product, confirming the motto at AIL, “We Support You”.



Galvanized safety platforms on stainless steel discharge stacks at Weyerhaeuser



The MWANB Board of Directors recently toured Allain Equipment Manufacturing Ltd. In conjunction with a meeting held in Bouctouche. From L to R are: Tim MacDonald, Jean Marie Allain, Carl Duivenvoorden, Kevin Horsman, Mike Vincent, Rod Macintosh, Jim Goodin, Mike Steeves and Normand Boudreau.



Jim Goodin, Vice-President of the MWANB signs a Memorandum of Understanding on training initiatives while Training Education Development Minister, Norm MacFarlane, looks on.

Upcoming Events!

Metal Sector Consultation Session

February 25, 2003,
Sheraton Hotel
Fredericton, N.B.

Best Practices Showcase – Sunny Corner Enterprises Inc.

February 26, 2003
Miramichi, N.B.

Supervisory Training

Beginning March 18, 2003 –
Moncton, N.B & March 19,
2003 - Saint John

Welding Upgrading Training

Beginning February 3, 2003 –
NBCC Moncton

Atlantic Metal Working Symposium

Increasing Export
Opportunities Through
Partnership
August 26, 2003 – Moncton,
N.B.

For More Information
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