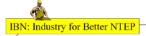
APPENDIX F

IBN: Industry for a Better NTEP



IBN: Industry for Better NTEP



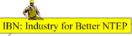
(Version 3) Frank Li, Ph.D.

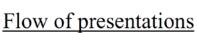


#	Name	Title	Company	Email	1/25/2010 Presention?
1	Kirby Kelly	Plant Manager	WW-Paul Scales	kirby@paulscales.com	
2	Frank Li	President	West-East International, Inc.	frank@West-East-International.com	Yes
3	Joe Hamilton	President	Unibridge Systems, Inc.	ioe@UNBRIDGESCALES.COM	Yes
4	Rudolph Kolaci	President	Totalcomp Scales & Components	rudy.kolaci@totalcomp.com	Yes
5	Lorie Smith	President	Scale Service & Supply, Inc.	sssincls@gmail.com	
6	Rainer Holmberg	President	Pennsylvania Scale	rh@pascale.com	Yes
7	Keye Li	VP	Pacific Weighing, Inc. (China)	luoyuanlin@yahoo.com.cn	Yes
8	Harry Baughn	President	Pacific Scales Co.	psco@pacifier.com	Yes
9	Jack Pangrazio	President	LTS Scale Company, LLC	pangrazio@ltsscale.com	
10	Jiandong Ke	President	Keli Bectronic Mfg. Inc. (China)	keli-eric@kelichina.com	Yes
11	James A. Bradbury	President	Kanaw ha Scales & Systems	jabradbury@kanawhascales.com	Yes
12	Fred Herrmann	President	Indiana Scale Company, Inc.	fred@inscale-incell.com	Yes
13	William K. Fischer	President	Emery Winslow Scale Company	WKFISCHER@emerywinslow.com	Yes
14	Carlos Chavando	President	Certified Scales Co,	carloschavando@verizon.net	

1/25/2010 at NCWM

Frank Li





- Opening, by Frank Li
- · NTEP: good & bad, by Rudy Kolaci
- NTEP: A-Z in 10 minutes, by Fred Herrmann
- VCAP is bad, by Joe Hamilton
- VCAP: a better version?, by Rainer Holmberg
- NTEP & regulation, by Harry Baughn
- NTEP: what are we doing?, by William Fischer
- Creep has damaged us, by K. Li & J. Ke
- · Closing, by Frank Li

1/25/2010 at NCWM Frank Li



IBN: Industry for Better NTEP





Opening

Frank Li President, West-East International

Frank Li received his BE from Zhejiang University (China) in 1982, ME from the University of Tokyo (Japan) in 1985, and Ph.D. from Vanderbilt University in 1988, all in Electrical (& Computer) Engineering. He worked for several companies, mostly in computing and management consulting, until 2005 when he founded its own company W.E.I., an import-export firm. Today, W.E.I. is a leader in the weighing industry not only in products & services, but also in thought. Frank speaks & writes on many subjects. For more info, visit www.west-cast-international.com.

1/25/2010 at NCWM Frank Li

IBN: Industry for Better NTEP

What's IBN?

- IBN (Industry for <u>Better NTEP</u>) is an industry group consisting of NTEP stakeholders (i.e. NCWM members or active NTEP CC holders), who seek major changes in NCWM, especially with regard to
 - creep
 - VCAP
- IBN works within NCWM (for now)
 - making our voice heard via participation.
- · Why "better"? It's against "harder"!

1/25/2010 at NCWM Frank Li



IBN: Industry for Better NTEP

Better vs. harder

- For the past 5 years at least, NTEP has been in the wrong direction of making it harder for the little and new guys through the introduction of such changes as
 - creep, which discriminates against the new guys.
 - VCAP, which discriminates against the little guys.
- Yes, we are talking about an organizational & systematic discrimination here, on top of anticompetitiveness!

1/25/2010 at NCWM

Frank Li



IBN: Industry for Better NTEP



Creep in analogy

- Until 2005, the "standard" required that, in order to sell cars in the US, a car manufacturer demonstrate that it can produce a sample car capable of exceeding 100 miles/hour. 1000 CCs were issued (Group A).
- In 2006, the "standard" was raised to 150 miles. 200 CCs were issued (Group B).
 - The change was for the new guys only, leaving existing CCs as-is.
- In 2009, the "standard" was lowered to 125 miles, 40 CCs were issued (Group C).
 - Again, this was for the new guys only, leaving existing CCs as-is.
- As a result, Group A does not meet the current standard in HB44 (while Group B exceeds it). Most problematically, NCWM has no plan to remotely address this issue.

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IBN: Industry for Better NTEP



VCAP in analogy

- · An auditor comes to your company and asks you to sign on a piece of paper, promising that all the cars you make will be "consistent with the sample car previously certified" or your CCs may be cancelled.
 - This will be done despite the fact that Group A does not meet the current (creep) standard in HB44.
 - · This is a discrimination against the new guys (groups B and C).
- The auditor will check your Q/A program, fill out a form, and submit it to an authority who will decide the fate of your CCs (and the fate of your company).
 - Obviously, this will be more work for the little guys.

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Frank Li



IBN: Industry for Better NTEP



NTEP vs. VCAP

- NTEP: <u>National Type Evaluation Program</u>
 - It's type evaluation, not production evaluation!
 - It's capability demonstration, not product measurement!
- VCAP: <u>Verified Conformity Assessment Program</u>
 - It's rooted in "production meets type" from SMA
 - · But which type to conform or meet? There are 3 "types" for creep alone and Group A does not meet the current creep "type"
- VCAP redefines NTEP from type evaluation to production evaluation. In other words, by its very name & definition, NTEP lends itself to abuse!

1/25/2010 at NCWM Frank Li



IBN: Industry for Better NTEP



2 basic questions for NCWM

- What are you? Are you still a standards-setting org?
 - If yes, how could you have changed the creep standard several times without respecting the 1st principle (i.e. all conform to HB44)?
 - If no, what are you? Do you really want to become a 3in-1 organization at the risk of destroying yourself?
- Why such a big organizational failure?
 - Who did you listen? Special interests (i.e. Industry) representatives on the board, SMA, and consultants)!
 - Who should you represent? The silent majority! The little guys (i.e. ~80% of the industry) have spoken out, and will speak out more. But will you listen?

1/25/2010 at NCWM Frank Li



IBN: Industry for Better NTEP



Summary

- Restore the 1st principle (i.e. all conform to HB44) without exception nor discrimination!
 - Group A must all be re-certified to meet the current creep standard without exception.
 - If this cannot be done practically, NCWM must undo its changes on creep since 2006, or NCWM, as a standards-setting organization, must be abolished as a result of self-destruction.
- Immediately suspend all the new initiatives like VCAP before the 1st principle is restored.

Frank Li 1/25/2010 at NCWM



<u>Concluding remarks − 1st one</u>

- NCWM must change, both organizationally and philosophically. How?
 - Listen to the people, not special interests



Our next speaker is Rudy Kolaci of Totalcomp ...

1/25/2010 at NCWM

Frank Li

IBN: Industry

IBN: Industry for Better NTEP

≰Totalcomp

NTEP: good & bad

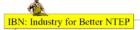
Rudy Kolaci President, Totalcomp Scales & Components

Rudy Kolaci has over 45 years of experience in the weighing industry. In 1970, he founded Totalcomp Scales & Components, a wholesale distributor of electronic scales, balances and components. Prior to Totalcomp, Rudy was a regional Manager with Revere Corporation for 6 years handling a full line of load cells. Extensive experience was gained from 4 years engineering with Henderson Industries specializing in automatic batching systems. Basic scale experience came during 6 years with Fairbanks Scales. Rudy is a Mechanical Engineering graduate from New Jersey Institute of Technology.

1/25/2010 at NCWM

Rudy Kolaci

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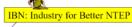


My messages

- For the scale industry,
 - VCAP is bad
 - NTEP for load cells is bad
 - NTEP for scales is good

1/25/2010 at NCWM

Rudy Kolaci





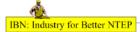
VCAP is bad (1)

- VCAP will be a detriment to the scale industry. It will raise costs and not provide a benefit for the consumer or the scale manufacturer.
- Verification of product quality should not be legislated or dictated by a government or private agency. Quality of a product should be the choice of the consumer and manufacturer. This should be the choice of a free market. The government or other agency should not determine a product's quality.

1/25/2010 at NCWM

Rudy Kolaci

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VCAP is bad (2)

- Market forces will determine which manufacturer will be successful and have a larger market share. If one manufacturer gets an excess number of red tags when being inspected by a weights & measures official, that brand will suffer in reduced or no sales of their equipment. It does not take long for the market to weed out the low quality scales from the market.
- The economic marketplace for weighing equipment will be stifled by VCAP. The increased costs will make manufacturers rethink planned new products and innovations.

1/25/2010 at NCWM Rudy Kolaci 1:

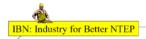
IBN: Industry for Better NTEP



NTEP for load cells is bad (1)

- NTEP, when applied to load cells, is a detriment to the scale industry. It will stifle innovation, new products and new companies from developing new products.
- For years after NTEP was introduced, load cells did not have NTEP certificates. At one point some of the larger load cell manufacturers wanted to push to have NTEP certificates for load cells thinking that the burden of getting a certificate would limit the competition. Their idea did not work. It did not stop new manufacturers from competing with them. It simply increased the cost of the load cell.
- There appears to be a conflict in the NCWM procedure when load cells need NTEP certificates but scales can have an NTEP certificate and use non-NTEP load cells. I noticed on certificate 08-008 a bench and counter scale uses a non-NTEP load cell. That means that when the load cell is repaired or replaced it would be replaced with a non-NTEP load cell. It seems contradictory that a counter scale can have a non-NTEP load cell but a truck scale must have an NTEP load cell.

1/25/2010 at NCWM Rudy Kolaci





IBN: Industry for Better NTEP



NTEP for load cells is bad

Innovation for load cells can be envisioned by this one example. New load cells can be made without temperature compensation when the microprocessor used by the scale or indicator does a more efficient job. The temperature can be sensed at the load cell with a thermister and the microprocessor will calibrate the scale including the effects of temperature changes. The result is a better and more accurate scale that costs less. The load cells can be made more efficiently and quickly without the temperature requirement. Having an NTEP certificate requires that the load cell perform to specifications when subjected to a temperature range. The innovation would not be allowed if an NTEP certificate is required for this component of a scale. Luckily we do not need NTEP certificates for the other components.

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Rudy Kolaci

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NTEP for load cells is bad (3)

- The load cell does not need an NTEP certificate. Just as the A/D converter doesn't have one. Just as the junction box doesn't have one. As well as the mounting hardware, eyebolts, potentiometers, resistors, integrated circuits, wire, capacitors, oscillators and other components used in building a scale that effect the accuracy. If any one of these items is faulty, poorly designed, improperly installed the scale will not work properly. Just as these items do not have NTEP certificates, the load cells do not need them either. The NTEP certificate for load cells should be discontinued
- I think that we want the scale industry to flourish. We need to remove the restrictions that are imposed when an NTEP certificate is required for a load cell.

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Rudy Kolaci

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TEP for scales is good (1)

- The initial concept of NTEP was well founded and I support it. Prior to NTEP each of the (50) states had their own standards for Type Approval. The scale manufacturer had to get separate approval from each state to be able to sell "legal for trade" scales in that particular state. NTEP simplified that process and reduced it from (50) to (1). That was a good cost savings and the consumer benefited because the lower overhead cost for simpler approval was passed on with lower prices for their weighing equipment.
- The sealing of a "Legal for Trade" scale by a local Weights & Measures official was the confidence builder that both the consumer and merchant needed to be assured that the scale was accurate and neither of them would be cheated. To this day it is still the most important task of the government to make sure that scales are accurate. This can only be done with local testing

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Rudy Kolaci

IBN: Industry for Better NTEP

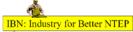
NTEP for scales is good

- So many things can go wrong that would make a scale weigh inaccurately. A few stones crushed in between a truck scale platform and the foundation coping. A build-up of fat and grease in a poultry scale. A scale that was accidentally dropped and became slightly bent. A scale that was overloaded and not recalibrated. The list can go on and on. The merchant that owns the scale wants to make sure that they are not being cheated and the weights & measures inspector will make sure the scale is accurate for both buyer and seller.
- VCAP will not help to improve this condition. Nor will NTEP for load cells. They will simply add additional burdens to the scale manufacturer. This additional costs will be added on to the cost of the scale and the purchaser of the scale will pay more and get no benefit from the VCAP program nor from having NTEP for load cells. All the problems previously mentioned can still happen. VCAP and NTEP for load cells will still be a waste of time and money.

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Rudy Kolaci

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NTEP for scales is good (3)

· The local testing of scales by weights & measurers officials should continue and be encouraged to expand to make sure that all "Legal for Trade" scales are sealed often to assure that both the consumer and merchant benefit from accurate weights.

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totalcomp

Summary

- VCAP: Stop it immediately.
- NTEP for load cells: Eliminate it asap.
- NTEP for scales: Make it better and keep it strong!

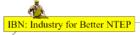
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Rudy Kolaci



-INSCALE-



INSCALE.

NTEP: A-Z in 10 minutes

Fred Herrmann President, Indiana Scale

Fred Herrmann is the founder of Indiana Scale Company. He started in the scale industry 45 years ago and worked for Fairbanks, Hardy, Revere and Emery-Winslow. He has experience in field sales and service, manufacturing, engineering and marketing.

His background is electronics. He holds a patent for the Versadeck clean-inplace floor scale.

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Fred Herrmann

NTEP: back to its early days

• I personally know some of the men who were originally involved in NTEP and it stems from the SMA. The people writing the specs were load cell people. The others were scale people with little, if any, knowledge of load cells, but thought NTEP would be a neat way to stifle the little guys beating on their doors. Unfortunately, NTEP leveled the playing field and opened the door to anyone. The Bailey-Hazen Road all over again!

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Fred Herrmani

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-INSCALE-

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-INSCALE-

NTEP: single-cell testing

- Testing of compression or beam cells used (always) in multi-cell scales to capacity is silly. Applying a full-capacity specification does not reflect real use of cells that, for floor scales, can never be used at over 50% of capacity.
- The people who authored these specs had no practical knowledge of actual scale use and I would speculate that most of them had never actually seen a scale in situation.

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Fred Herrmann

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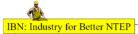
NTEP & OIML (1)

• 30+ years ago, some well-intentioned Americans traveled to Europe to learn how to harmonize U.S. weight regulations with Europe's OIML, so that we could export scales that would be accepted by France, Germany, etc. The result was incorporated into our NTEP. Free trade was never accomplished (due, in large part, to strong protectionism on the part of France), but we remain today with the ill effects of a well-intentioned but obsolete effort.

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Fred Herrmann

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-INSCALE-

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-INSCALE-

NTEP & OIML (2)

• The resultant "NTEP" and its "production meets type" is inarguably good. What is NOT good is a leftover requirement which mimicked OIML and was required by the E.U.. Since free trade never resulted, the sole blanket application within the U.S. to ALL scales does not make sense. For instance, European retail scales are largely used outdoors in open-air stalls, while U.S. retail scales are used indoors in supermarkets at constant temperature.

1/25/2010 at NCWM

Fred Herrmann

The cost of T.N.8(1)

My observations while employed at Revere in the 80's (probably not changed much since): To test and certify a floor scale shear beam load cell (used here as a most common example) requires a weight test under load at several points and at several temperature excursions. This can only be accomplished using a testing machine which incorporates a stack of calibrated weights applied to the load cell while cycling through hot, cold and room temperature, the cell being housed in an environmental chamber at the top. This process necessitates a soaking time for each change. The whole test of weights applied from zero in steps to capacity and down again while cycling the temperature requires a lab time of 8 HOURS for EACH cell! This is not possible in a process which must produce several thousand cells per month. Imagine also what the product would cost.

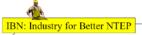
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Fred Herrmann

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INSCALE.



-INSCALE-

The cost of T.N.8(2)

- · Since no one can do this in practice, how is it accomplished? Statistical process control, which means a sample (2%?) is tested from each batch. Maybe.
- At Revere, the solution was to simply ignore T.N.8 after NTEP testing and certification was obtained.
- I would submit that this is the practice at most load cell manufacturers today. I would also bet that if you pull a random cell from ANYONE, it probably would not pass.
- You force the manufacturer to be duplicatous to achieve a standard that is meaningless. How wise is that?

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Fred Herrmann

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Fred Herrmann

T.N.8 should be changed!

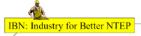
• I believe the whole subject of "T.N.8" in

discontinued or modified as it serves no

useful metrological purpose on all but a

few electronic scales used outdoors such

temperature in the HB 44 should be



-INSCALE-

IBN: Industry for Better NTEP

as truck scales.

-INSCALE-

On creep

· Creep has very little practical meaning in industrial scales. Most have a less than 1% actual duty cycle and items are never left on the scale in commercial weighing applications. Where they are left on the scale for periods of time, as in downweighing, this is usually an in-house weighing application not for trade.

Fred Herrmann

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Summary

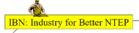
• It is about time to add some pragmatism to this whole NTEP thing and stop damaging our industry and our competitiveness with unnecessary costs like VCAP!

1/25/2010 at NCWM

1/25/2010 at NCWM

Fred Herrmann

UniBridge



UniBridge[®]

VCAP is Bad

Joe Hamilton President, Unibridge Systems, Inc.

Joe has 39 years of working experience. Right after receiving his BS in Agricultural Engineering from Oklahoma State University in 1971, Joe founded Oklahoma Industries and Engineering, which began with design and fabrication of cattle equipment. In 1985, Joe founded UniBridge Systems, manufacturing weighing systems.

Joe holds a US patent (4,828,055) on "UniLatch" bridge connection system, which has been in production since 1988 and incorporated into both electronic and mechanical weighing systems.

Joe Hamilton

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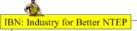
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Quotes from NCWM's website

The NTEP for National Standards "maintains equity in the marketplace" and for manufacturers "comply with these standards without incurring costs of multiple redesigns or marketing delays" and various weights and measures jurisdictions "have confidence that these newly designed devices are capable of meeting the applicable weight and measures standards", "the answer to these ... is the National Type Evaluation Program." "It provides a one-stop evaluation process that satisfies the initial requirements for introduction of weighing and measuring devices in the U.S." "Ultimately, the savings that result from the efficiency of this process are passed along to consumers, making early type evaluation an integral link in the U.S. production chain.'

1/25/2010 at NCWM

Joe Hamilton



UniBridge

SCALE SYSTEMS

NTEP for scales is good

After successful evaluation of a device, the product can be sold and used in "legal for trade" applications. The further testing of the devices is performed by the states (and companies licensed to perform testing) in which the devices are installed. If the device(s) fail to meet specifications for commercial weighing set forth by the government, they are taken out of service. This is the system that is in place and insures both the consumer and the retailer equity in the marketplace.

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Joe Hamilton

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-- UniBridge

VCAP is bad (1)

- VCAP is another attempt to shut down the small manufacturer since the cost is spread over fewer items produced and this program is funded at the expense of the manufacturer. The initiation of yet another program to conduct further testing is designed to:
 - Generate additional funds for bureaucratic entities.
 - Eliminate competition in the marketplace from smaller manufacturers.
 - Increase consumer cost (which was supposed to be reduced by the NTEP program).

1/25/2010 at NCWM

Joe Hamilton

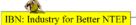
UniBridge

IBN: Industry for Better NTEP

<u>Summary</u>

- VCAP is, in no way, designed to benefit the consumer or help the manufacturer become more competitive in the global marketplace.
- VCAP goes against what NCWM is supposed to be standing for, as quoted at the beginning.

1/25/2010 at NCWM Joe Hamilton 39



UniBridge

NTEP for load cells is bad

- The additional load cell testing done several years ago in which product was picked up at random and tested at the expense of NIST did not result in the desired outcome (the small manufacturers provided product that tested as well as the large manufacturers).
- VCAP is yet another intrusion in the manufacturing process with the only guarantee is that the cost with increase.

1/25/2010 at NCWM

Joe Hamilton

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IBN: Industry for Better NTEP

UniBridge

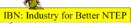
VCAP is bad (2)

- At a time when global economy and jobs are a priority, this is not a sound policy.
 - Where is this demand originating?
 - Is it the consumer, the retailer, or a design to eliminate competition and create more bureaucratic interference?

1/25/2010 at NCWM

Joe Hamilton

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PENNSYLVANIA

VCAP: a better version?

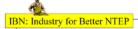
Rainer Holmberg President, Pennsylvania Scale

Rainer has 36 years of experience in electrical engineering. He worked for A. H. Emery, Revere, BLH, Consolidated Controls, Emery Winslow and Pennsylvania Scale.

1/25/2010 at NCWM

Rainer Holmberg

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PENNSYLVANIA

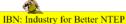
Current VCAP is bad

- · Cost is too high
 - VCAP puts almost all its cost to the manufacturers, thus continuing a growing trend in redundancy to protect consumers without regard to the added cost, which will be passed on to the same consumers.
 - We test prior to submission for a CC. NTEP lab testing fees continue to escalate. Adding VCAP fees without regard to these costs is not in the best interest of the business or consumer.
- It's very flawed: I endorsed Steve Patoray's open letter (i.e. the 3-legged stool) before and I hereby endorse it again, with an addition.

1/25/2010 at NCWM

Rainer Holmberg





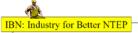
PENNSYLVANIA

Summary

- VCAP, in its current form, is unacceptable.
- Patoray's 3-legged stool is a valid place to begin VCAP.
 - Do not cut corners, or it would be a disaster for the industry and most likely for NCWM.
- Reduce redundancy Certify manufacturers.

1/25/2010 at NCWM

Rainer Holmberg

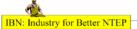




83-year-old man's words

- When you sold a scale to perform a particular function, you sold it with the understanding that it would pass Weights and Measures tests. Then NTEP stepped in and people got lazy relying on manufacturers to produce quality equipment, only to find out that in some instants the equipment submitted for NTEP was a higher quality than that produced later.
- I realize that I'm from the old school. But I think that we are over-regulated already. A scale can be NTEPed but still be unacceptable for the use it was sold to perform. More regulations will not assure a weighing device be acceptable. You must rely on the final inspection at the job site.

1/25/2010 at NCWM Lee Offield



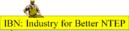
PENNSYLVANIA

A better VCAP?

- Patoray's 3-legged stool can be described as follows:
 - Certificate Review. An administrative review of NTEP CCs to ensure their compliance with the requirements.
 - · Obviously, Group A (as described in the opening) does not meet the current creep requirement in HB44. NCWM must
 - Initial Verification
 - VCAP
- Add the 4th leg: VCAP certified manufacturers can perform Type Evaluation themselves.

1/25/2010 at NCWM

Rainer Holmberg





NTEP & regulation

Harry Baughn President, Pacific Scales

I have my partner Lee Offield speak for me.

Lee is an 83-year-old gentleman full of wisdom. In 1949, Lee started purchasing scales for various plants he managed. In 1959, he entered the scale industry. He worked for a major scale company for 14 years before becoming independent. Today Lee feels passionately about the debate on NTEP and VCAP. Lee said, "being involved in the industry for 61 years, I feel uniquely qualified to make some statements.

1/25/2010 at NCWM

Harry Baughn





NTEP: what are we doing?

William Fischer

President, Emery Winslow Scale

I hereby publish the letter from Walter Young, Emery's Chairman & CEO, to Rudy Kolaci, president of Totalcomp.

Walter is an 87-year-old gentleman who regards himself as "perhaps the most active senior in the industry." A WWII veteran, Walter served in North Africa and Europe. He received a mechanical engineering degree with post graduate work in electrical engineering. He joined Richardson Scale in 1948. In the early 1960s, Richardson Scale merged with Howe Scale to become Howe Richardson Scale. Walter served as its president until he joined The A. H. Emery Co (now Emery Winslow Scale) in 1973. Walter served as SMA's president 1969-1971.

1/25/2010 at NCWM

William Fischer

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Young's letter to Kolaci (1)

Dear Rudy,

Rainer handed me a group of e-mails concerning VCAP, NTEP and NCWM, some of which you had authored. I am taking the liberty of writing to you because of your strong views on these subjects.

I have been in this business a long time, and am perhaps the most active senior in the industry. For quite some time, I have been disturbed by the turn of events on the regulatory aspects of our industry, specifically the NCWM, NTEP and now VCAP.

My last effort to make our voice heard was during Steve Kendra's short tour of duty as President of ISWM. I am generally not a joiner, do not involve myself in causes, but I felt sufficiently upset to suggest to Steve that a separate voice of small scale companies be established within ISWM, a voice equally as loud and powerful as the

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Young's letter to Kolaci (2)

Emery Winslow, perhaps more than other scale manufacturers, knows the difficulties of trying to introduce a new technology into our industry. We paid a dear price for not caving, more than you can imagine, and it continues to this day.

As you know, I am a past president of the SMA and I can attest to the good work accomplished. However, I am also aware that some of the SMA members were less than even handed when it came to protecting their turf.

It has cost Emery Winslow many hundreds of thousands of dollars to accommodate NTEP, only for the right to stay in business. There were times we wondered if it was all worthwhile

We departed the SMA with regret only because we no longer had the means to remain

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Young's letter to Kolaci (3)

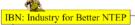
Let me summarize my views.

- The day the NCWM was removed from NIST was a sad day for the scale industry.
- I remember when I first walked into the NIST lobby at Gaithersburg many years ago. There on the wall is written the following.
 - "It is therefore the unanimous opinion of your committee that no more essential aid could be given to manufacturing commerce, the makers of scientific apparatus, the scientific work of the government, of schools, colleges and universities than by the establishment of the institution proposed in this bill."
 - This was a report on the bill to establish the National Bureau of Standards, May 14, 1900.

These wonderful words are no longer appropriate for our industry. We have lost our "weigh"

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Walter Young





Young's letter to Kolaci (4)

Summary

- The NCWM be returned to NIST.
- VCAP be shelved. It will not benefit the consumer or our industry.
- Review the need for load cell NTEP certification. Its benefit to the scale user is
 - highly questionable, and assuredly increases cost and limits innovation.

 Based on our past experience, Emery Winslow could not possibly embark on HYDROSTATIC™ load cell development under today's rules. There simply would not be enough money.

 Only the big guys would have the money, but not have the will nor the
 - need to develop a HYDROSTATIC™ cell in the face of the tremendous success of electronic load cell business.

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Walter Young



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Young's letter to Kolaci (5)

- Place maximum effort in field testing. I agree NTEP serves a good purpose. If nothing else, it at least illustrates that, for one moment in time, the scale performed to a standard. In early 2008, I expressed some of my concerns to Steve Patoray. He was kind enough to give me some straightforward comments such as .
 - "H44 does not have requirements for the durability or life of your device."
 - "H44 does not address customer expectations.
 - "H44 does not limit how many weighments are made on a device."

I asked Steve if it would be in the spirit of H44 to have a 90K CLC and DTA rating, but have small print that states the weighbridge is designed for a legal DTA road limit of 34K. Steve's answer: "What you have indicated would not be in the 'spirit' of the definition of CLC and DTA according to H44." And, yet, this is common practice.

All of the above leads to field problems on NTEP certified scales. And, in many States, there is no one looking after these many non-performing installations. Conclusion ... The priority should be on field testing, not VCAP and NTEP. Fix the field problem and the rest will become evident

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Walter Young

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Young's letter to Kolaci (6)

they are right. State Weights & Measures have taken a tremendous beating over the past vears.

But the strong desire to regulate remains, and so we expand into NTEP, VCAP, NCWM.

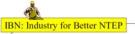
The consumer remains the victim, and now we add regulation upon regulation on the back of the manufacturer, resulting in higher scale prices, reduced innovation, more end user downtime, high maintenance and expense, and none of this answers the consumer benefit

It does not make sense.

I would like to see a group effort made to resolve some of these issues. I would like to see a report generated and submitted to the Secretary of Commerce of the USA. To be heard, the group must be comprised of substantial scale people, have an official standing, such as the ISWM.

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Walter Young





Young's letter to Kolaci (7)

There is a lot more to be said. From the e-mails I have seen, the "group" has made a beginning. The group voice will have to get louder and louder and the message must go yond the NCWM to Federal and State officials, to the U.S. Department of Commerce, to NIST, to the Office of Weights & Measures, etc.

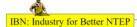
If I can be of some help, I would be pleased to contribute. Emery Winslow has probably

Kind regards.

Walter M. Young

1/25/2010 at NCWM

Walter Young







Creep has damaged us!

Keye Li VP, Pacific Weighing China

Jiandong Ke President, Keli China

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· Here is what happened:

Date

10/26/2009

Keve Li & Jiandong Ke

Our NTEP app #6417

• Result: We are preparing the 2nd pair

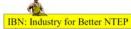
- Costing us \$25K extra and 1+ year delay!

Jiandong Ke

- Giving existing CC holders a huge competitive

1st cell failed in creep 11/15/2009 2nd cell failed in both creep and error

NTEP test result





Our NTEP app #6127

• Here is what happened:

Date	NTEP test result		
10/28/2008	1st cell passed but 2nd cell failed in creep		
03/06/2009	3rd cell passed creep but failed in error		
08/06/2009	4th cell was about to be tested, but became unnecessary, due to the 2009 change by which the 2nd cell passed automatically.		

- · Result:
 - Costing us \$15K extra and 1+ year delay!
 - Giving existing CC holders a huge competitive advantage!

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Keye Li



We over-compensated creep at the cost of error

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advantage!

Summary

 NCWM must always respect and follow the 1st principle (i.e. all conform to HB44). In other words, Group A must all be recertified to the current creep standard in HB44. If this cannot be done practically, NCWM must undo the creep changes since 2006, or NCWM, as a standardssetting org, must be abolished.

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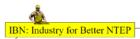
Keye Li & Jiandong Ke

Closing

Frank Li President, West-East International

1/25/2010 at NCWM

Frank Li





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Recap

- · In the opening, I stated "for the past 5 years at least, NTEP has been in the wrong direction of making it harder for the little and new guys ..."
 - Clearly, that was an under-statement! NTEP went wrong in the late 1980s when it started requiring the certification for load cells.
- · What was wrong, specifically?
 - NTEP for load cells
 - creep
 - VCAP
- · Anything in common among these wrongs? Yes, they are all along the same line of thinking with the same goal of making it harder for the little and new guys!!!

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Why so wrong?

- Because that's how our system works (it's structural)! An org like NCWM was formed with good intentions and then something went wrong big time for 2 main reasons:
 - weak leadership on the top. All directors are volunteers, and none (other than the industry representatives) have a vital stake in the org.
 - relentless drive by the special interests
 - · The louder people get heard. A manufacturer heavily involved in the org has only 1 purpose: gaining competitive advantages for itself (or anti-gaining by the others). As a result, most of the changes (e.g. T.N.8 and creep) were bad for the industry. Incidentally, many of these bad changes were disguised under the same reason: harmonization with OIML! What a clever way to fool around, for so long! But no more???
 - The majority is typically silent. Even today, many agree with IBN, but they would rather watch from the sideline than to join.

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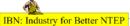


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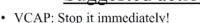
Can the wrongs be fixed?

- Yes, because that's also how our system works (or at least how it's supposed to work): We make mistakes and we fix them! 2 musts though
 - The people must speak out We did!
 - The leaders <u>must</u> lead correctly (& correctively)!
 - · It's no single person's fault or single BODs' fault for all the wrongs. But this BODs is having a historical moment to right these wrongs, and bring the org back on track.
 - · You have both the power and the responsibility to do so. But will you?

1/25/2010 at NCWM Frank Li



Suggested actions



- Creep: Restore the 1st principle (i.e. all conform to HB44) without discrimination!
 - Group A must all be re-certified to meet the current creep standard without exception.
 - If this cannot be done practically, NCWM must undo its changes on creep since 2006.
- NTEP for load cells: Eliminate it asap!
- NTEP for scales: Make it better & keep it strong!
 - Have a different class for T.N.8
 - No need for NTEP load cells

Frank Li 1/25/2010 at NCWM

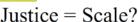


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Concluding remarks – 2nd one

- NCWM must change, both organizationally and philosophically. How?
 - Listen to the people, not special interests.
 - · We just spoke Did you listen?
 - Act wisely
 - · Avoid [obvious] conflicts of interest.
 - Have more industry representatives on the board?
 - · Do things rationally with commonsense & discipline
 - Get some basics right before comparing yourself to ISO or OIML.
 - Focus on getting NTEP CCs out sooner, rather than diverting the limited resources to "exotic" ventures like VCAP
 - Simply be good Americans!
 - Freedom and justice to all!

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1/25/2010 at NCWM Frank Li

NTEP 2010 Final Report
$Appendix \ F-Industry \ for \ a \ Better \ NTEP$

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