

PUNCH AND BEND

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YEAR OF CHALLENGES DRAWING TO A CLOSE

2004 is almost over and it has been a year that the metal fabrication business will not soon forget. Facing world market pressures on all aspects of the industry has left the domestic metals industry shaking its head.

In the year of 2004 American fabricators saw the pressures of overseas competition increase. Facing competition that enjoys a dramatically lower labor cost the domestic producers reached even deeper into their bag of tricks to remain competitive.

Looking to innovative processes and increased worker productivity the domestic fabricators hoped to hold the line against our overseas competition. Success has been elusive but on the whole American producers are surviving in the commercial arena. Manufacturers of finished products find they cannot rely on foreign fabricators when quality and dependable delivery is a

must. On the other hand the production of consumer goods continues to flee overseas. This is driven in large part by the retailers and consumers who value a low price above everything else. This is not all retailers and consumers, but the largest retailers are 100% price driven and have trained their customers to place price above quality.

The emergence of Asia, and in particular China, as consumers has further pressured American manufacturers and their suppliers. In the last two decades, by moving more and more manufacturing to Asia, companies transformed these countries into huge consumer markets. Asia contains over 50% of the world's population, changing their labor pool from agriculture to manufacturing is bringing on line a market potential that has never been seen before. Nowhere has this been more apparent than in the metals

markets.

Reacting to increasing demands and influenced by government tariffs the price for all metals saw a dramatic increase in 2004. The suddenness of the increases caused chaos for those of us who depend on metal to make our livings. Meeting commitments to customers and finding a way to remain profitable at the same time was perhaps the biggest challenge to an already weakened industry. Honoring prices quoted before the increases was painful for some companies and fatal for others.

What is in store for 2005? More of the same for sure, but the American metal fabricators will find a way to respond. Most of the processes and practices that created this industry were created in this country and the industry is still lead by American innovation. It is our challenge to continue to lead in the future.

ISO QUIZ WINNERS ANNOUNCED

The winners of the ISO quiz for the month of October have been determined. The winners were drawn from questionnaires with the correct answers.

SFI team members receiving awards this month are Jack Bomgaars, Manuel Rosas, and Carlton Roy.

Jack Bomgaars received gift certificates for gasoline at Seven Eleven, Manuel Rosas received gift certificates for Charleston's restaurants, and Carlton Roy received a cash award.

Every month Steel Fabricators distributes a quiz regarding ISO standards, all

team members are eligible to participate. The questions are generated by the quality manager, and team members are encouraged to work together finding the answers.

The success of ISO depends on everyone staying up to date and the ISO quiz is a fun way to do this.

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TEAM MEMBER OF THE MONTH

THE TEAM MEMBER OF THE MONTH FOR OCTOBER IS ROY HORN. THE AWARD THIS MONTH WAS BASED ON ATTENDANCE. ROY'S NAME WAS DRAWN FROM A LIST OF QUALIFIERS BASED UPON ATTENDANCE.

MR. HORN WILL RECEIVE GIFT CERTIFICATES FOR CHARLESTON'S RESTAURANT AS WELL AS ENJOYING RESERVED PARKING FOR THE MONTH.

CONGRATULATIONS ROY AND THANK YOU FOR YOUR EFFORTS.

THE CRITERIA FOR NOVEMBER WILL BE ATTENDANCE. BE HERE, BE ON TIME, AND HAVE DINNER ON SFI

BORN IN THE U.S.A., THANKSGIVING

Thanksgiving is an uniquely American holiday. While there are similar celebrations in other cultures, Thanksgiving is the "American Holiday".

The first Thanksgiving was celebrated by the native people and the settlers in 1621. The celebration was held in Plymouth, MA. And was similar to harvest festival held in Europe. This first Thanksgiving would not be repeated for over 100 years.

In 1777 the thirteen colonies celebrated a day of thanksgiving for their victory over the British at Saratoga, but this was a one-time celebration. It was not until 1789 that George Washington declared Thanksgiving a national holiday, but there was dissention among the

colonies that prevented the national holiday from becoming a reality. Different communities wanted to celebrate at different times for different reasons, so it was hard to have even a state-wide Thanksgiving much less a national one. Many Americans did not feel that the hardships of the settlers warranted a holiday, and Thomas Jefferson condemned the idea during both his terms as president.

Thanksgiving did not become reality until 1863. A publisher named Sara Hale started promoting a national holiday in 1827 as a means to bring the country together before the civil war. Later on she promoted Thanksgiving as a way to heal the country afterwards. President Lincoln, urged by Hale, pro-

claimed the last Thursday in November Thanksgiving on October 3, 1863.

Thanksgiving was celebrated on the last Thursday of November until 1939 when Franklin Roosevelt changed the day of celebration to the third Thursday of November. The change was promoted by merchants to allow more shopping days between Thanksgiving and Christmas. This change outraged many Americans and many of them continued to celebrate the holiday on the last Thursday in protest. In the spring of 1941 President Roosevelt admitted a mistake had been made and moved the holiday back to the original day. No matter what the day Thanksgiving is the "American Holiday"

HOLIDAY SCHEDULE SET

Steel Fabricators International provides paid holidays for its team members. To receive holiday pay team members must work the day before and the day after the holiday. Team members can use their vacation days, or request an approved absence from management to meet this requirement.

Team members wishing to use vacation days or approved absences to meet this requirement will need to have turned in their requests no later than 11-8-04.

Management will make its determinations regarding these requests based on work load, past absences, etc. Please submit your request as soon as possible.

SFI's team works on a four-day work schedule which affects certain holidays,

when reviewing the schedule please keep this in mind.

For Thanksgiving we will be off on Thursday 11-25-04, this will make a four day holiday.

For Christmas we will be off Thursday 12-23-04 and Monday 12-27-04, this will be a five day holiday.

New Years we will be taking Monday 1-03-05 off, this will be a four day holiday.

Steel Fabricators wishes all team members happy holidays

*I FIND TELEVISION VERY
EDUCATING. EVERY TIME
SOMEONE TURNS ON THE SET,
I GO IN THE OTHER ROOM
AND READ A BOOK
Groucho Marx*

ISO AUDIT TEAM TO GAIN OUTSIDE EXPERIENCE

The Steel Fabricators International internal audit team will be conducting its first outside audit next week. The team of SFI auditors, Becky Bean, Tim Burch, Robynn Croley, Dee Dee Roy, and Leon Walker will go to Norman, OK. to audit the Moore-Norman Vo-Tech operation on 11-11-04. They will be accompanied by Scott Hazel, Quality Manager for SFI.

The Moore-Norman Vo-Tech is having this audit conducted in preparation for their certification audit after the first of the year. This is a common practice for companies nearing certification.



Conducting an outside audit has many benefits for SFI and the audit team. The auditors will gain valuable insight about another operation's ISO integration and practices, they can then in turn bring any relevant and valuable knowledge home to Steel Fabricators. The auditors, because they are seeing new territory, will gain new perspectives about how pow-

erful ISO is and what it can do. And finally the audit team will receive an evaluation of their work, this will give them feedback from a third party.

Steel Fabricators International is dedicated to our own ISO process, and without the hard work of our audit team we would not be as far along as we are. The entire Steel Fabricators team wants to wish our audit team good luck with their first outside audit, and we would also like to thank them for the hard work on our ISO program.

FIRST THANKSGIVING MENU NOT LIKE TODAY'S

There are only two written records of the first Thanksgiving celebration. The descriptions differ as to where exactly this event occurred and verifying which is correct is impossible, but they both describe a menu that is very different from what we think of as the traditional Thanksgiving feast.

The first celebration of Thanksgiving occurred in 1621 to mark the first harvest of the settlers in the new world. Though it is a celebration of the harvest, the majority of the menu was foods gathered from the wild.

Turkey, a wild bird, was not among the fowl offered at the first Thanksgiving. What was on the menu was duck, geese, and pheasant, all readily available from the wild. This selection of wild game birds reflects what the settlers were accustomed to in their native

lands. The settlers ability to recognize these birds as a food source is most likely what placed them on the menu.

Another protein source came from the waters surrounding the first settlements. While not necessarily thought of as traditional Thanksgiving fare in most parts of the country today, fish and shellfish are prominent in the records of the first Thanksgiving. Cod, bass, clams, oysters, and lobster all are mentioned as being on that first Thanksgiving menu.

The vegetables on the first Thanksgiving table would not have been cultivated they would have been what were available to be gathered from the wild. No potatoes, no yams, no green beans, reviewing the records of the menu one wonders what they harvested to celebrate about.

The holiday breads, pies, and cakes we enjoy today were also absent from the first Thanksgiving. The settlers had no flour or sweeteners at this point and what breads they did have would have been unleavened, not what we would expect today.

Even though we may think of the first Thanksgiving menu as less than appetizing, the settlers had their reasons for being thankful and that in the final analyst is what makes Thanksgiving a celebration.



SMITH NEPHEW CONSIGNMENT PROGRAM STARTS

Steel Fabricators International has built its reputation by always offering superior customer service.

An example of this started this month. SFI has placed finished goods in a consignment program at the Smith Nephew facility in Oklahoma City. This allows Smith Nephew to have a ready supply

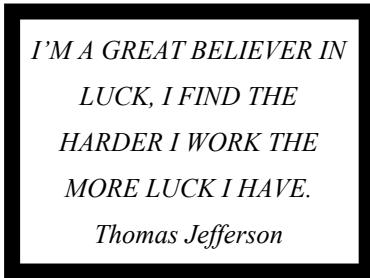
of parts always at hand.

Steel Fabricators will receive a report from Smith Nephew on usage. This will tell SFI which parts to produce to maintain the supply for Smith Nephew.

This arrangement will be audited by Bill

Lowry, Walter Carolina, and Mattie Rahman. These Steel Fabricators International team members will visit Smith Nephew's facility to conduct inventory counts and make sure that the consignment inventories are maintained.

Participating in new ways to enhance our value to our customers is just one way SFI strives to be the leader in our market. Working with our customers Steel Fabricators International continues to be "your full line fabricator".



HOLIDAY SAFETY TOPS EVERY GIFT LIST

As we enter the holiday season it is time to remind ourselves about the unique safety concerns of the season. An accident any time is bad, but an accident during the holiday is especially tragic.

The first holiday we confront is Thanksgiving, the greatest threat is relatively new. Propane deep fryers used to fry whole turkeys require special care. If you are a turkey fryer (yes they taste great) safety starts with how and where you set-up. A well ventilated area with a flat stable surface is essential for safe turkey frying. The other

area of great peril is placing the turkey in and removing the turkey from the fryer. There are several devices on the market for this, follow the directions closely and make sure the area is clear of non-essential personnel. The little ones sure never be close to the fryer, and those with other things on their minds besides safety are best put in charge of the TV.

Christmas presents a whole different set of hazards, each year too many Christmases turn tragic because safety was forgotten. Don't overload sockets, don't use indoor lights outside, don't

overload extension cords, and keep Christmas light bulbs away from flammable materials. The scent of candles are a part of many families homes at Christmas, a candle is an open flame and as such must be treated with care. Do not set candles on an ignitable surfaces, do not place candles beneath flammable materials, and make sure all candles are extinguished before leaving the house or retiring for the night.

The Holidays are a time of joy and celebration, don't let an accident ruin yours.

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ANNIVERSARIES AND BIRTHDAYS

The following team members are celebrating birthdays this month

ALICIA ORTIZ

BILL STRAUBE

The following team members are celebrating employment anniversaries this month.

ROBERT WOLVERTON

JOHN WRIGHT

CONGRATULATIONS!!!!!!

SINCE ITS INCEPTION IN 1974, STEEL FABRICATORS INTERNATIONAL HAS MAINTAINED THE HIGHEST STANDARDS OF QUALITY SERVICE AND SERVICE

OUR GOAL IS TO PROVIDE 100% SATISFACTION TO EVERY CUSTOMER.

IT IS THE LOYALTY AND DEDICATION OF OUR CUSTOMERS THAT HAS

FUELED OUR SUCCESS IN THE PAST AND INSURES OUR FUTURE

ACCOMPLISHMENTS. WE WOULD LIKE TO THANK OUR EXISTING

CUSTOMERS AND WELCOME OUR NEW CLIENTS

IN THE NAME OF LOVE

Pine Bluff, Ark.— A man who set his wife's pants on fire because he believed she was having an affair, accidentally burned down their mobile home and has been charged with arson.

Leroy Brown thinking that his wife had been with another man, set fire to the pants he thought she was wearing at the time of the affair. The burning pants started to singe Brown's fingers so he dropped the pants and the mobile home went up in flames.

Spokane Wash.— A man walked into the police department and asked what he should do with a dead woman's body he had stashed in a freezer a week earlier.

Police went to the man's apartment and discovered the body of a 57-year-old

women inside a chest-type freezer. The man, who was the woman's caregiver, told police that he wanted to preserve the woman's dignity. He said when he came home and discovered her dead he placed her in the freezer. Police stated that until an autopsy was complete there appeared to be no crime. The man was sent to a hospital for mental evaluation.

LaCrosse, Wis.— A man who said he hoped a near-death experience would save his marriage was convicted of attempted first-degree intentional homicide for throwing a live electrical wire into his wife's bath.

The man's wife told the jury that her husband drew her a bath after they spent the day taking a long walk and going for a motorcycle ride. While she was in the

water, her husband came into the bathroom and dropped the cord into the water. The cord was plugged into a "ground fault interrupter" outlet and the woman was unharmed. The wife stated she jumped out of the tub, but her husband tried to push her back in the tub. She was able to get free and run out of the bathroom. Sentencing is scheduled for Dec. 10.

San Antonio, Tex. — Visitors to the shrine of Texas independence saw more than just a museum exhibit.

An Alamo security officer arrested two active-duty members of the 232nd Medical Battalion, stationed at Fort Sam Houston, for public lewdness after other visitors complained about the pair having sex at the shrine. Bond was set for each at \$800.