



Indiana Legislature Regulatory Flexibility Committee

August 13, 2007

Dear Committee Members:

For the past 52 years Indiana Tool & Mfg. Co. Inc. has been engaged in contract manufacturing. The main focal point of our business has been manufacturing precision gears and machined components for a variety of industries including, Off Highway Vehicles, Mining Equipment, Aerospace and Wind Power. We have two manufacturing facilities totaling 500,000 square feet both of which are located in Marshall County. Throughout the history of our company we have been a consistent employer in our geographic area, we currently employ more than 150 skilled employees.

We are continuing to pursue additional business opportunities from both existing and new customers, additional business at Indiana Tool & Mfg. Co. will ultimately lead to additional employment opportunities. One area which offers us the greatest growth potential is the Wind Industry. New Wind Mills being erected in the state of Indiana will result in additional requirements for the machining services that Indiana Tool provides. We are excited about this possibility but we need your help to develop legislation that encourages the expansion of Renewable Energy in our state.

Global competition is an ongoing and serious concern in our industry, to remain competitive we must continuously monitor our operational costs. With the rising costs of raw materials, the rising costs of manufacturing equipment as well as the increased cost of health care insurance that we provide to our employees we must look at every possible option to control our operational expenses. Indiana Tool spends nearly \$500,000 per year on electricity alone. Since we are a large consumer of electricity we have pursued the option of installing 2 plus megawatts of wind power generating equipment, however to make this a viable project, 2 megawatt net metering is an absolute requirement. Indiana currently has a net metering credit of 10 kilowatts, we are seeking legislation that would increase the credit limit to 2 megawatts. Seven other states already offer 2 megawatt or greater net metering.

Indiana manufactures have tremendous hurdles to overcome to stave off the real threats of foreign competition. It is our desire to continue to be a growing and reliable employer within the state of Indiana. We are seeking help from you and your fellow legislators to pass legislation and foster energy policies that will be good for Indiana companies and their employees.

Sincerely,

Gary A. West
Sales Manager