



Council of Industry Newsletter

January 2011
Volume 15
Issue 1

Next Century, New Look for Council

By Harold King, Executive Vice President, Council of Industry

The Council of Industry will begin its second century of service to Hudson Valley manufacturers in 2011 with a new logo, a new look and a renewed commitment to its members.

Our new logo, designed by Ad Essentials, highlights the close connection between the association and its manufacturing members. In the logo the machined letters “CI” sit atop the blueprints used to create them. We have also updated www.councilofindustry.org to be more user friendly. While the content remains largely the same, the website is now easier to navigate and it is much simpler to locate, register and pay for our training, programs and services.

During the past 100 years manufacturing in the Hudson Valley helped build the United States into superpower. The Valley has been the epicenter of many technological breakthroughs including advances in steam, communications, electronics, computing, materials and energy. Manufacturing was the engine that drove our unprecedented economic growth and improved the quality and longevity of countless lives. The sector evolved along the way from dark and labor intensive to clean and knowledge based. The Council of Industry has proudly played its own, small role in this evolution.



Looking ahead, the Council hopes to play a greater role as an advocate for Hudson Valley manufacturing. Our association believes strongly that manufacturing is vital to the future of the Hudson Valley, New York State and the United States. In 2010 for the first

time our association worked with other manufacturing associations and the BIPAC political action committee to endorse candidates that support a pro growth, pro manufacturing agenda and we launched our “Manufacturing is Vital” campaign to educate elected officials and the public at large about the economic significance of the manufacturing sector. We also refined our training programs to better reflect the needs of our members dealing with a slow growth economy, increased regulatory burdens and heightened global competition.

As we enter our second century of service the Council of Industry will continue to adapt, develop and grow to full fill its mission in support of its members and manufacturing in the Hudson Valley.



Inside this Issue	
2	Training & Education
3	Networks & Council News
4	Personnel Matters
5	More Personnel Matters
5	Consumer Price Index
6	Legislative Matters
7	Health Care Reform
8	EHS Matters
9	CI Calendar
10	Energy Matters
11	Manufacturing Matters
12	Member Profile: GTI
13	Member Benefits
14	Global Trade Matters

Welcome New Associate Member

Northwestern Mutual Financial Network—
Contact: Don Badgley, financial services, life insurance. Orange County



Training and Education

Invest in Your Employees

One of the best investments a company can make is in improving its workforce. Training is one improvement that will give a great return on that investment. When an employee feels that the company thinks highly enough of the job they do to send them to a class that will further their knowledge and advance their skills, they become an engaged member of their company – not just another drone. The Council of Industry’s Certificate in Manufacturing Leadership program is an excellent set of courses that can be completed as a whole or taken individually. These classes cover everything from Making a Profit in Manufacturing, a full day introduction to financial and accounting issues in manufacturing to Effective Business Communication, Train the Trainer and Human Resources Management Issues with plenty of other topics in between. All courses are geared to the manufacturing environment and individuals that complete the entire program, whether over the course of one year or several, receive a Certificate of Completion from the Council of Industry and Dutchess Community College. For a complete listing of courses and online registration go to our website www.councilofindustry.org and visit the Programs & Training page.

CI is constantly reviewing and updating the Certificate courses to ensure they are relevant to today’s manufacturing environments. We have revamped our Environment Health and Safety class this year in response to member’s feedback. Stephen Myers, Kim Cuppett, and Russell Urban-Mead, from The Chazen Companies will be the instructors and the course is now titled Environmental Health and Safety Risk Management and will cover a broader spectrum of EHS issues. The full course description is below.

If you have any questions about the Certificate in Manufacturing Leadership program or any of the courses listed on our website or in the 2011 Training Catalog, call (845) 565-1355 or e-mail training@councilofindustry.org.

Updated Course Information for Environmental Health and Safety Risk Management

Date: Wednesday, February, 23, 2011 **Time:** 9:00 am - 4:30 pm

Location: Dutchess Community College, Bowne Hall, Poughkeepsie, NY

Cost: \$200 for a single participant, \$175 for two or more from the same company

Instructors: Stephen Myers, Kim Cuppett, and Russell Urban-Mead, The Chazen Companies



Updated Course Description:

The Council of Industry will offer this informative course to provide frontline supervisors with the parameters of good environmental, health and safety practices necessary for their manufacturing operations. This core course identifies issues that all supervisors and managers need to understand to better monitor and position their environmental, health and safety programs, including the following topics:

- Overview of threshold working conditions triggering OSHA health and safety training requirements, such as respiratory protection, confined spaces, hazard communication, fall protection, emergency planning and lockout/tagout..
- Hazardous waste management, storage and disposal criteria.

We make doing business easier - just ask US!

Our Payroll Services are designed to ease the stress of running a business.

Payroll Processing • Small Business Tax Returns
Bookkeeping Services

Ulster Savings
You've got US!

Banking • Loans • Investments • Tax & Payroll • Insurance

Member FDIC

- Petroleum and Chemical storage tank registration, testing and labeling standards
- Operations needing air permits in the State of New York.
- Water and wastewater considerations.
- A review of EH&S economic risk management strategy, including discussion of energy conservation, waste minimization and greenhouse gas regulation trends.

To register online go to www.councilofindustry.org and find this and other great courses under Programs & Training.



Council News

January EHS Sub-council Meeting on Environmental Risks: A Critical Business Factor for Success

When: Friday, January 21, 8:30 –10:00 am
Where: The Chazen Companies, Poughkeepsie, NY
Cost: None for members

Assessing Environmental Risks to Your Company



This presentation by Stephen Myers, CEP, CPEA, The Chazen Companies, will discuss the importance of a sound environmental risk strategy to understand and prioritize environmentally-related threats to your business and how to mitigate them. From legacy risks to operational risks to future risks- business can both reduce the likelihood of a negative impact and take advantage of the opportunities that sound environmental practices present. Come learn how to reduce uncertainty and exposure to loss, quantify potential liabilities, improve allocation of resources, and reduce and manage the probability of significant environmental liability.

Mr. Myers is the corporate vice president of Chazen's Environmental Services organization. Mr. Myers has been in the engineering and environmental management business for over 30 years, having spent 15 years in environmental consulting and 15 years with the General Electric Company. He has a great deal of experience helping companies develop the strategy, tactics and organizational capabilities to manage environmental, social and sustainability risks throughout the business value chain.

To register contact Alison Butler at (845) 565-1355 or abutler@councilofindustry.org or go online to our website <http://www.councilofindustry.org/council-networks/environmental-health-safety.html>

2010 Wage & Benefits Survey Results



Twenty-one companies reported data to the 2010 Wage and Benefit Survey conducted by Marist College's Bureau of Economic Research and School of Management and sponsored by the Council of Industry of Southeastern New York. Data was reported on sixty-seven jobs and is detailed in this survey document. Highlights of other information collected include the following points:

- 2009 wage increases among participating companies averaged 2.3% for the management group, 2.2% for the technical group, and 2.1% for the professional, administrative/clerical and manufacturing groups. These increases were slightly higher than the reported national average of 1.8% which represented the lowest rate of increase in 33 years.
- 2010 wage increases among participating companies were essentially unchanged from 2009 increases averaging 2.2% for all groups. These increases are lower than the reported national average of 2.7%.
- For 2011 reported planned increases are 2.0% across all groups. These planned increases are also below the reported national average of 2.9%.

Turnover among this survey group ran at 9.6% in 2010 which was down from the reported 14.6 in last year's survey and below the national average rate of 17% for all industries. (It should be noted that the national rate, while relatively steady from previous years has seen a decrease in voluntary terminations and an increase in involuntary terminations and layoffs which make up nearly 60% of this turnover rate).

When examining benefits offered, companies reporting into this survey as a group have a higher rate of health care coverage for employees than the national average (100% vs. 59%) and a higher rate of pension coverage (91% vs. 59%).

Companies that took part in the survey should have received a copy of the report. Companies that did not take part but would like a copy of the report can purchase one by contacting Harold King at the Council of Industry, (845) 565-1355, hking@councilofindustry.org.

ENHANCING

the future of
our communities



THE
Chazen
COMPANIES[®]

With offices located in Poughkeepsie, Troy,
and Glens Falls, NY as well as Waterford, CT

Engineers • Land Surveyors • Landscape Architects • Environmental Scientists • Planners

www.chazencompanies.com 888-539-9073

Personnel Matters

“Successful Interview Techniques”

By Gordon McAleer, Owner, McAleer & Associates

The “X” factor of an exceptional candidate would be the demonstration of passion, energy, creativity, and social skills. The interviewer needs to get beyond the surface issues and get to know the candidate as a person.

The face to face interview of a candidate is a critical step in the recruitment process. A successful interview is a two-way process to assess the candidate and a time for the candidate to determine his or her interest in the firm. The “X” factor of an exceptional candidate would be the demonstration of passion, energy, creativity, and social skills. The interviewer needs to get beyond the surface issues and get to know the candidate as a person. Here are some strategies for the interviewer.



Plan. Review the candidate’s resume before the interview. Check social media (Facebook, Plaxo, and LinkedIn) for postings by the candidate, as this information may give interesting insights into the candidate.

Listen. Follow the rule of thumb of allowing the candidate to do the talking for two-thirds of the time and use the balance to ask questions and probe deeper. Ask open ended questions, pause and allow the candidate to elaborate. Assess the candidate’s ability to answer questions clearly and concisely without rambling. Gauge the candidate’s body language and eye contact.

Assess. Evaluate the candidate’s self confidence, honesty, and attitude. Is the candidate self assured, articulate, and personable? Will the candidate be a good fit for the culture of the firm?

Avoid the Illegal Questions. Avoid the trap of sliding into the risky territory of illegal questions. Questions on age, marital status, children, if you are pregnant, religion, national origin, race, and sexual preference are strictly off limits. The questions can lead to allegations of discrimination.

Respect. Treat the candidate as a guest and equal partner in the exchange of getting to know each other. Avoid interviewing from behind your desk. It is better to interview at a table as equals. Give the candidate your undivided attention and avoid taking phone calls or other interruptions. Whether or not selected, the candidate will have lasting memories of the interview. The candidate who is welcomed with respect will have positive things to say about the company to family, friends and colleagues. The converse is true – if the candidate is treated poorly, there will be a lasting, negative image of the company which will be passed on to many.

McAleer & Associates is a member of the Council of Industry and is a professional and executive recruiting firm that has been serving the needs of business for securing top talent for over eighteen years. The firm has the exclusive endorsement of CI. Council of Industry members that use McAleer & Associates are eligible for a 25% discount of recruitment fees. Professionalism, confidentiality, and timely results are assured.

Professional & Executive Search

<ul style="list-style-type: none"> ● All Industries ● Manufacturing ● Engineering ● IT 	<ul style="list-style-type: none"> ● Financial ● Not for Profit ● R&D ● Sales & Mktg 	<div style="border: 2px solid black; border-radius: 50%; padding: 10px; width: fit-content; margin: 0 auto;"> <p style="margin: 0;">CISE Member Discount!</p> </div>
--	--	---



Professional & Executive Search
gmcaleer@mcaleerassociates.com
www.mcaleerassociates.com
Phone: (845) 294-5622



More Personnel Matters

NLRB Initiates "Major" New Posting Requirement

From HRHero.com

The National Labor Relations Board (NLRB) took "a major, but not unexpected, step" Tuesday when it announced a new proposed rule that would require employers to notify employees of their rights under the National Labor Relations Act (NLRA). Among other things, employers would have to let employees know that they have the right to "[t]ake action with one or more co-employees to improve your working conditions by, among other means, raising work-related complaints directly with your employer or with a government agency, and seeking help from the union," as well as engaging in strikes and picketing. Covered businesses would be required to place a government-furnished poster -- "Employee Rights under the National Labor Relations Act" -- in prominent places in their work site and electronically, if that is the usual means of communicating with employees.



"The NLRB has never tried to impose -- on all employers -- such a notice requirement," says J. Robert Brame, a Washington, D.C. attorney with McGuireWoods LLP and co-editor of Federal Employment Law Insider. In effect, the NLRB is creating a new unfair labor practice (ULP) -- failure to post a new Board-drafted notice. The assumed 'employee lack of knowledge' was addressed earlier in one of President Obama's first executive orders, but it was limited to federal contractors. This goes much, much further."

Under the proposed rule, which would apply to all employers governed by the NLRA, noncompliance with the posting requirements:

- * would be considered a ULP;
- * could cause the statute of limitations for filing ULP charges against employers that fail to post the notice to be postponed; and
- * could be considered "evidence of unlawful motive" in ULP cases.

The proposed notice is important to the NLRB because they believe many employees are unaware of their rights under the NLRA. According to the Board, the notice is supposed to increase employees' knowledge of the law and promote statutory compliance by employers and unions.

Brame also discussed how the proposed rule will require approval from a court of appeals: "Interestingly, the NLRB's 'orders' have no independent force of law. That is why the Board must petition a court of appeals, which in effect changes the request into 'you must or else.'"

The Notice of Proposed Rulemaking provides for a 60-day comment period. You may submit comments by mail, hand-delivery, or at <http://www.regulations.gov>. The proposed rule and more information about it can be found at www.nlrb.gov. This is just one of several new NLRB proposals that may affect your company and personnel.

Consumer Price Index for November 2010

				Point	%	% Increase
Wage Earners & Clerical	Nov.'09	Nov.	Oct.	Increase	Month	Year
1967=100	631.49	639.67	639.30	0.38	0.1	1.3
1982-84= 100	212.0	214.75	214.62	0.13	0.1	1.3
All Urban Consumers						
1967=100	648.03	655.44	655.16	0.28	0.0	1.1
1982-84=100	216.33	218.80	218.71	0.09	0.0	1.1
Hudson Valley unemployment rate for November 2010 = 7.3 %						



DAVID L. LANDESMAN
PRESIDENT

**DUSO CHEMICAL
COMPANY, INC.**

26 VAN KLEEK DRIVE
POUGHKEEPSIE, NY 12601
TEL 845-454-6500
FAX 845-454-0188

info@dusochemical.com



Legislative Matters

New York Wage Theft Act Increases Employer Obligations and Penalties for Labor Law Violations

From JacksonLewis.com

New York Governor David Paterson has signed into law the Wage Theft Prevention Act. The new law amends the New York Labor Law, creates new recordkeeping obligations for employers and allows employees to recover significantly greater damages for violations of the law. The new law will become effective on or about April 12, 2011.

The Wage Theft Prevention Act previously was passed by the state Senate and, following a significant holdup in the state Assembly, was reconsidered and passed by the Assembly with little advance notice to the employer community.

New York courts have the reputation among the plaintiffs' bar of being hospitable to wage claims, and the enhanced penalties under the new law will likely mean even more wage and hour litigation against New York employers. Moreover, the enhanced penalties and available damages for violations pursuant to the new law create even greater risk for New York employers who misclassify workers or fail to pay employees accurately. Employers should review their employee classifications and pay practices to ensure compliance. Jackson Lewis strongly recommends training in-house counsel and human resources personnel regarding classification issues and managers regarding their obligations under New York state and federal wage and hour laws and the importance of compliance and accurate recordkeeping.

Expanded Notice Obligations for New Hires

Currently, New York Labor Law Section 195(1) mandates that employers inform all new hires in writing of their regular rate of pay, pay day, and overtime rate, if applicable. Existing law also requires that employers obtain a written acknowledgment that this information be provided in writing. (The New York State Department of Labor has interpreted the law as requiring employers to provide exempt employees with the basis for their exemption.)

Upon the Wage Theft Prevention Act's April 12, 2011, effective date, the written notice must include additional information, such as the method of payment, i.e.,

whether employees will be paid by the hour, shift, day, week, salary, piece, or commission, as well as whether any allowances will be claimed as part of the minimum wage (for tips, meals, or lodging).

Further, employers will be required to furnish this information in both English and the employee's primary language. How and when an employer can determine whether English is not the new hire's primary language is left unanswered. The New York State Department of Labor has been charged with developing template notices in English and other languages. Whether these templates will be available prior to the new law's effective date is not clear.

Annual Notice Obligations

The new law requires that employers provide employees with a notice reiterating their pay rate and other mandated information and obtain a written acknowledgment before February 1st of each year. Even though the new law is not effective until April 2011, a suggested best practice for employers is to provide the notice before the law becomes effective.

Further Notice Obligations

The new law also requires employers to provide a written notice at least seven days prior to the implementation of any changes to the information contained in the employee's most recent notice, unless the modifications are reflected in the employee's wage statement. Therefore, the wage statement must include the following information: dates of work covered by the payment, employee name, employer name, address and telephone number, hours worked, rates paid and basis thereof (e.g., hour, day, or week), gross wages, credits/allowances claimed (e.g., tips, meals and lodging), deductions, and net wages. Many of these requirements previously were contained solely in Wage Orders, some were not.

Recordkeeping Requirements

Consistent with current requirements for payroll records, employers must maintain all required notices, statements, and acknowledgments for six years.



CHA

JERRY BERGMAN
Business Development
jbergman@chacompanies.com
www.chacompanies.com

40 Matthews Street
Suite 303
Goshen, NY 10924-1986

Main 845.294.6448

Continued on page 15



Health Care Reform Update

Judge Rules Obamacare Mandate Goes Beyond Letter and Spirit of the Constitution

From *The Heritage Foundation*

In the most significant decision to date involving the numerous challenges to Obamacare, a district court today ruled in favor of the Commonwealth of Virginia's challenge, and declared the individual mandate portion of the Patient Protection and Affordable Care Act unconstitutional. The fact that the decision is based upon cross motions for summary judgment means among other things, in simple English, that the parties have had two major hearings and two sets of merit briefs before the Court, which has now issued its second major opinion (and this is leaving aside a slew of motions decided by the court). The decision, accordingly, is the most well-developed of any court yet to address the matter, and therefore should cause quite a bit of indigestion for defenders of Obamacare.



Judge Hudson first addressed the Obama administration's claims that the law is constitutional under the Commerce Clause. After weighing the arguments and the case law, he found that the mandate's scheme was without precedent in our country's history: "Neither the Supreme Court nor any federal circuit court of appeals has extended Commerce Clause powers to compel an individual to involuntarily enter the stream of commerce by purchasing a commodity in the private market."

The judge noted that even under the broadest application of the Commerce Clause, there had to be some self-initiated action, whereas here there is not. Accordingly, the court found that the mandate violated the Commerce Clause because it did not regulate economic activity. The court further found that it could not be justified even under an expansive view of Necessary and


Proper, because it was not tethered to a lawful exercise of an enumerated power. The court concluded that "[t]he Minimum Essential Coverage Provision [mandate] is neither within the letter nor the spirit of the Constitution."

Second, the court rejected the far more dubious claim that the mandate is justified under Congress's taxing power. This claim is a shameful, post-hoc rationalization that does not comport with the operation (the provision raises no general revenue), the language of the law (which uses tax and penalty with precision), or the statements of proponents (President Obama emphatically denied that this is a tax), and so it is not surprising that this claim failed yet again (a Florida court rejected this claim at the Motion to Dismiss stage).

After declaring the individual mandate and the alleged tax (really a penalty) unconstitutional, the judge had to confront two remedial issues. The first is whether the unconstitutional provisions could be severed from the rest of the 2700 page law or whether he would have to strike down the entire act. After discussing the general presumption that courts should try to sever only the "problematic portions while leaving the remainder intact," and the difficulty in divining whether Congress would have enacted the law without the offending provision,

**Continued on
page 15**

"Neither the Supreme Court nor any federal circuit court of appeals has extended Commerce Clause powers to compel an individual to involuntarily enter the stream of commerce by purchasing a commodity in the private market."



Complete Protection
At Ulster Insurance Services, we offer:
**Commercial Lines • Group Benefits
Workers Compensation**

**Call Walter Sierra at
(845) 338-6000, ext. 3964**

Ulster Insurance
SERVICES, INC.

HOME & AUTO • BUSINESS • EMPLOYEE BENEFITS

Insurance products and services available through Ulster Insurance Services, Inc., a subsidiary of Ulster Savings Bank, are NOT FDIC INSURED.

EHS Matters

New York State Electronic Equipment Recycling and Reuse Act Summary

By Karyn Burns, Director of Government Affairs



Manufacturers of covered electronic equipment will be responsible for implementing and maintaining an acceptance program for New Yorkers to recycle their electronic waste in an environmentally responsible

manner. Oversight of this law will be provided by the Department of Environmental Conservation (DEC).

Manufacturers of CEE Participating in an **Individual** Electronic Waste Acceptance Program are required to:

1. Submit a registration form (MRF-REG), fee form (REG-FEE), and registration fee of \$5,000 no later than January 1, 2011.
2. Provide an electronic waste acceptance program to consumers no later than April 1, 2011. At a minimum, the program must
 - a. Be provided at no cost to consumers
 - b. Provide for the convenient collection, handling, and recycling or reuse of electronic waste.
 - c. Accept electronic waste for collection beginning April 1, 2011
 - d. Provide a public education program and will provide sufficient information to allow a consumer of CEE to return CEE for recycling or reuse.
3. Notify retailers that they are registered with the Department
4. Properly label CEE beginning April 1, 2011
5. Comply with disposal ban where they may not dispose of electronic waste at a solid waste management facility or hazardous waste management facility, or place electronic waste for collection which is intended for disposal at a solid waste management facility or hazardous waste management facility.

Manufacturers of covered electronic equipment will be responsible for implementing and maintaining an acceptance program for New Yorkers to recycle their electronic waste in an environmentally responsible manner.

6. Submit:
 - a. Annual report form (MFR-REP, not available yet)
 - b. Fee form (MRF-FEE, not available yet)
 - c. \$3,000 annual reporting fee
 - d. Recycling surcharge: Beginning in calendar year 2013, a manufacturer that fails to meet its acceptance standard for the previous calendar year will be subject to a recycling surcharge. The amount of the surcharge varies depending on the amount of electronic waste collected in relation to the manufacturer's acceptance standard.
7. Maintain records and make them available for audit and inspection by the Department for a period of three years.

Manufacturers of CEE Participating in a **Collective** Electronic Waste Acceptance Program with other manufacturers are required to meet the same requirements as the **Individual** Electronic Waste Acceptance Program with the following adjustments:

1. Submit a registration form (MRF-REG), however, no registration fee form or registration fee is required as these will be provided by the collective electronic waste acceptance program
2. Provide an electronic waste acceptance program to consumers. It will be operated by the collective electronic waste acceptance program on behalf of the participating manufacturers.
3. Provide information to retailers through the collective electronic waste acceptance program in which the manufacturer participates.

JOE PIETRYKA INCORPORATED

85 Charles Colman Boulevard,
Pawling, New York 12564

**Designers, Manufacturers
and Assemblers of
Plastic Injection Molded
Parts and Components**

Serving the Electrical, Industrial,
Medical, Automotive, Photo-
graphic, Pharmaceutical, Cos-
metic and Food Markets of Amer-
ica

ISO 9001:2008 Certified
Adhering to TS16949

UL Listed

CSA Listed

Drug Master File Registered

FDA Registered

CE Conformity

www.joepietrykainc.com

Phone: (845) 855-1201



CI Calendar of Training and Events

January 19 & 26	<u>Certificate in Manufacturing Leadership: Fundamentals of Leadership</u> — 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$400 single participant, \$350 each for 2 or more from the same company.
January 21	<u>EHS Sub-council Meeting: Assessing Environmental Risk Factors</u> — 8:30 –10:30 am at The Chazen Companies, Poughkeepsie NY. To register e-mail abutler@councilofindustry.org .
February 8	<u>Manufacturing Day in Albany</u> — An all day advocacy event in Albany, NY. The day will consist of morning briefings, guest speakers, breakout lobbying visits and a legislator reception. Cost \$100 per person, includes all meals and materials.
February 9	<u>Certificate in Manufacturing Leadership: Making a Profit</u> - 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.
February 23	<u>Certificate in Manufacturing Leadership: Environment, Safety & Health Risk Management</u> - 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.
March 9	<u>Certificate in Manufacturing Leadership: Problem Solving & Decision Making</u> - 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.

You can find more information on the courses and events listed in our calendar by going to our website—www.councilofindustry.org or if you are reading our electronic version just press Ctrl + click the course title.

Place Your Company's Ad Here

The Council of Industry's monthly newsletter has a mailing circulation of 250 manufacturers and an online circulation of hundreds more.

Contact Alison Butler at

abutler@councilofindustry.org

or call (845) 565-1355 for more information.

Energy Matters

EIA Report Predicts Stable Energy Supplies and Prices into the Foreseeable Future

With fossil-fuel energy abundant, and carbon emissions remarkably self-contained, the forward-looking EIA expects only a marginal increase in the contribution from renewables, whose very viability is challenged in the absence of public subsidies.

The recently released Annual Energy Outlook 2011 from the U.S. Department of Energy's Energy Information Administration (EIA) paints a future of cheap and abundant energy for the U.S. economy over the next quarter of a century. Its underlying assumptions, however have been called into question by critics.

In the EIA report, electricity prices in the U.S. are basically flat for the next two and a half decades, thanks to cheap natural gas, while oil prices don't even get close to their 2008 peaks until way off in 2035.

Paradoxically, despite this new world of cheap energy, carbon emissions in the U.S. economy are predicted to remain flat. U.S. emissions remain below their 2005 peak until 2027, even though no caps and trade policies are assumed to exist, and even when the agency is forecasting an almost 30 per cent increase in national coal consumption over the period.

With fossil-fuel energy abundant, and carbon emissions remarkably self-contained, the forward-looking EIA expects only a marginal increase in the contribution from renewables, whose very viability is challenged in the absence of public subsidies.

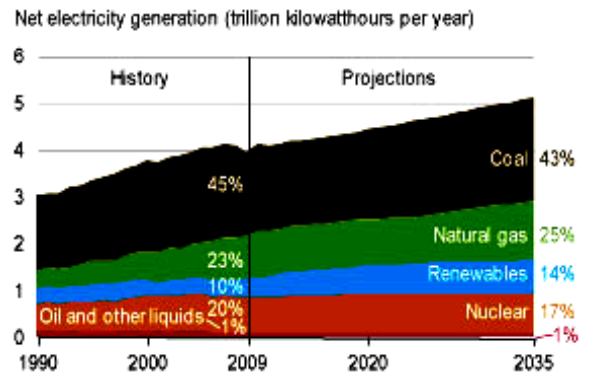
A doubling in estimates of shale gas reserves drives much of the energy abundance the EIA predicts. Whether shale gas turns out to be the game-changer the agency claims, or the gas industry's version of the subprime mortgage market, will ultimately depend on where its true cost curve lies.

If it's really in the neighborhood of \$4 per 1000 cubic feet (Mcf) then there is enough gas to keep the lights on in America for years. But if the true cost curve lies closer to \$8 per Mcf then gas may not be as abundant as the EIA believes, and long-run electricity prices may not be nearly as cheap as forecast.

Shale gas, however, does not address the emerging shortage of the liquid fuel that is needed to power the 250 million vehicles or so that run on U.S. roadways.

Which bring us to the EIA's oil price forecast. Measured in today's dollars, the agency doesn't see oil getting to \$125 a barrel until 2035. The \$125-per-barrel oil price that the EIA has spotted on the very distant 25-year horizon.

Figure 2. The projected fuel mix for electricity generation gradually shifts to lower carbon options



Manufacturers Electricity Aggregation



An Opportunity to Manage Your Electricity Costs

For more information call
845-565-1355



Manufacturing Matters

Business in the New Economy: *Getting Ahead of the Curve as We Come Out of this Recession*
By Bennett Neiman, PhD

Where was your organization before the Fall of 2008? And by the Fall—I do mean the Fall! For most organizations, somewhere around October or November of 2008, business came to a halt—for some gradually—for most, rather abruptly!

After The Fall

Since that time, most businesses have had to adopt drastic cost-cutting measures that have held expenses to a minimum, but at the same time, have significantly hurt the organization's ability to produce, promote, and/or sell its products or services. Workforces have been drastically downsized and feelings of uncertainty, fear, and low morale are often the status quo with the people who are still employed.



Those organizations that are still in business have seen old competitors close down and new, merged competitors spring up. Pricing has had to change, as customers' resources have dwindled. The marketplace has shifted. The lay of the land is now different.

What Do Organizations Generally Do After a Fall?

I've been working with companies for a long time, through many a recession and business downturns. I can tell you, whenever there is a recession or a business downturn, I always marvel at the organizations that come out of the event trying to do business exactly the same way they did before the recession or downturn.

This, of course, is absurd. The competition has shifted. The market has shifted. The customers buying and spending patterns have changed. How can it possibly be right to keep doing business the same way as before? And yet, there are always a great many of organizations who do—who act like nothing has happened—that nothing has changed.

No matter how successful these companies were previously, nor how many generations they had been in business—if they insist on continuing to do things “the good ole way,” like nothing has happened, it is inevitable that they end up a few years later, either 1) having to drastically downsize just to stay alive, 2) selling to or merging with a competitor,

or 3) closing down altogether. All because, they refused to take a new look at there business, after the Fall.

Are You Just Waiting to Go Back to the Way it was Before?

So many business leaders I talk to today, tell me that they read and watch the business news daily in the hope of hearing that the economy is finally getting better and that we're finally on the road to recovery—so that they can return to what they were doing before—you know—“business as usual.” Noooooooo! Very bad idea.

Going back to what you did before is a big mistake. Things are not going to be like before. Doing business in the “New Economy” may look very different, so you better take a good hard look at who you are and what you have in store. Our economy is not the same and it's not going to be the same for a long, long time—probably not forever. So forget about doing business the same way. In fact, you better forget about thinking that what you offered—in the way of products or services—is what you will be offering moving forward. Or that your offerings are going to be appealing to the same people and only those people—everything is up for grabs now! Better take a new look at your business, just as you did when you were getting started..... because.....it's a whole new ballgame!

Going back to what you did before is a big mistake. Things are not going to be like before. Doing business in the "New Economy" may look very different, so you better take a good hard look at who you are and what you have in store.

Bennett Neiman, PhD. is an Organizational Effectiveness consultant. He is the author of the business book: “Slay the Dragons-Free the Genie: Moving past negativity and resistance to get great results.” After traveling the globe for many years, Dr. Neiman now conducts his business close to home. He consults with organizations throughout the Hudson Valley and teaches regularly at Ulster, Dutchess, Orange, Rockland and Westchester Community Colleges.

Member Profile

Member Profile: GTI Graphic Technology Inc.

Year Founded: 1975

Location: Newburgh, NY

Products: Critical color viewing/inspection systems.

Website: www.gtilite.com

In manufacturing, product consistency and quality are important. Whether producing 10,000 of an item or just two, each one needs to function and look the same. In the manufacture of consumer goods in particular, the consistency and the quality of the item's color is critical. It is important to be sure the colors being seen on the product are true to the way the product is intended to look in its final destination. GTI (Graphic Technology Inc.) is the premier designer and manufacturer of critical color viewing/inspection systems. These systems are used to view an image or product under a specific, consistent type of lighting relevant to the industry the product is designed for. This consistency makes it possible for important decisions to be made about the final product's appearance.

From small desktop color image viewers used by photographers or graphic imaging industries, to large multi-source viewing booths used in the automobile industry, GTI supplies a wide range of industries worldwide with the accurate and consistent lighting solutions that have become vital for color communication and their products' ultimate success.

GTI was founded in 1975 by Fred McCurdy, a former VP of Mabeth Corporation, located in Newburgh, NY. Mabeth's products related to both the instrumental and visual control of color. Starting 35 years ago, GTI began designing lamps and viewing systems to help reduce the chances of overlooking color inconsistency and to improve lighting solutions for the most demanding and/or uniquely specific color jobs.

GTI has been a member of the Council of Industry since the company was just starting out and still "wet behind the ears" and throughout their growth the Council has offered many answers to the challenges of running a company and the need to provide quality products consistently.



One of GTI's newest products is their Graphiclite® 'E series' lamps, engineered to fully meet the demands of the newest ISO standard, are the latest in color viewing system technology. Modern technology has allowed GTI

viewing systems to be built to tighter specifications. In fact all GTI viewing products comply with either ASTM or ISO viewing standards. These standards have been set for the quality of light sources used in visual control of color differences of opaque materials, and for viewing conditions for photography and graphic arts, respectively. All of GTI's lamps are a close match to either the D50 or the D65 CIE specified phase of artificial daylight, depending on the relevant industries and products.

GTI's unwavering commitment to quality color viewing has brought their customers superior successful color management for over three decades. GTI is leading the industry by being the first and only company to release a full range of new, custom-engineered lamps that are optimized for color matching, which have been designed to exceed even the highest international standards for color management.

GTI upholds tight control over a color laboratory and all of their custom GTI-specification fluorescent lamps, as well as all viewing products ultimately delivered to their customers both in the U.S. and internationally.

GTI firmly believes in the quality of their designs and the integrity of their products, and their outstanding record of customer service reflects this. GTI is dedicated to working tirelessly at solving any and all color viewing needs, no matter how unique, whenever and wherever they occur.





Member Benefits

Advocacy and Manufacturing Day in Albany

Acting together, Council of Industry members are a powerful force for positive change.

The Council's government relations service gives members a louder voice on legislative issues affecting their businesses. Representing over 150 firms in New York's Hudson Valley, the organization's staff is active on critical public policy issues, ranging from state energy programs to workers' compensation to Medicaid.

Our public policy efforts are guided by the Council of Industry's Public Policy Agenda. We survey our members annually to determine our legislative priorities and develop this agenda. We also conduct ad-hoc surveys on important issues throughout the year, including data collection on workers' compensation and energy costs.

The Council of Industry is a founding member of the Manufacturers Alliance of New York State, an association of like-minded organizations that support manufacturing. Together the organizations that form the Manufacturers Alliance represent nearly 800 firms in every region of the state.

In an effort to make the voice of manufacturing heard by our legislators in Albany the Council of Industry in conjunction with The Manufacturers Alliance of New York invites all manufacturers to come to Albany for its 4th Annual Manufacturers Day, February 8th, 2011! Manufacturers Day will allow our economic sector the opportunity to rally together and relay to Albany our legislative agenda for the upcoming session. The day will consist of morning briefings, guest speakers, breakout lobbying visits and a legislator reception.

Even if you have never visited your legislator before in Albany, it is important to be involved. The voice of manufacturers needs to be heard in Albany and our elected officials need to know that manufacturing is still the engine that drives New York's economy, and that they should want you to be successful. There is no doubt that other groups such as private sector labor unions, public employees, environmental groups and other advocates will spend a lot of time and resources presenting their case in Albany this year. Don't miss your chance to present yours!

When: February 8, 2011 – all day

Where: Albany, NY

Cost: \$100 per person includes all meals and materials

To register for Manufacturing Day contact Harold King at (845) 565-1355 or

hking@councilofindustry.org.



Harold King, Executive Vice President, Council of Industry addressing a roundtable group at last year's Manufacturing Day in Albany.

NAM Announces New President and CEO

The National Association of Manufacturers has announced that John Engler will be replaced by Jay Timmons as president and CEO as of January 2011. Engler is leaving the NAM to become president of the Business Roundtable.

In his six years at the NAM, Engler has had a tremendous impact on the Association. He strengthened the organization and achieved major legislative victories in Washington. Under his leadership, the NAM has enjoyed unprecedented growth in influence and membership. 2010 was the NAM's strongest year financially and the Manufacturers are poised for continued success in 2011.

Timmons is a proven leader and, working with Engler and the rest of the leadership team, he has been instrumental in strengthening the NAM. Jay has deep relationships in Washington and with manufacturers across the country. He has a keen understanding of manufacturing and the impact Washington's policies have on job creation.

The Council of Industry wishes both Mr. Engler and Mr. Timmons success in their endeavors and supports NAM in its continued efforts to spotlight the importance and necessity of manufacturing in the United States.



RIVERSIDE BANK
member FDIC

Business Banking the way it should be.

Poughkeepsie	Red Oaks Mill	Newburgh	Fishkill
845-454-5511	845-463-2265	845-562-6766	845-896-9300

www.riversidebankhv.com

Global Trade Matters

Success of America's Small Manufacturers Lies in Exporting

Economists agree the future success of America's small manufacturers lies in exporting. Companies that are able to develop an export strategy that maximizes opportunity while maintaining profit margins are the ones that will thrive in the coming decades. On March 2nd the Council of Industry, along with the US Department of Commerce and the SUNY New Paltz School of Business, will present a seminar designed to help small manufacturers develop an effective export strategy. I know it will be interesting and informative. Until then below are six items from **Smart Money** to consider as you enter and/or expand your export business.

Commit a manager to the project

Exporting isn't a once-and-done event, so you'll want to make a commitment to it. Consider dedicating a top-level manager to the project who can help form your company's export strategy, suggests Fred P. Hochberg, the chairman and president of **Ex-Im Bank**, the official export credit agency of the U.S. You might also spend some time analyzing your company's possible competitive advantages abroad, as well as whether your company has the financial resources to support exporting. To export products successfully, you may need to hire added staff members, as well as devote working capital to boost production.

Examine market opportunities

"You will have a far greater impact by focusing on two to three potential markets or regions where your business is needed than by trying to cast a net over an entire country," says Victor Notaro, a group manager of Global Treasury Management for The **PNC Financial Services Group** in Pittsburgh. And although countries with growing economies like India and China may look like ideal targets, "oftentimes the most prudent first country for a small business to consider exporting to is Canada, thanks in part to the extensive bilateral trade between Canada and the U.S., and to the cultural and legal similarities," he says.

Consider product adaptations

Then consider adapting your company's products and services for different markets. For instance, products that are big sellers in the U.S. may not be as popular in other countries. Also, the price may be too steep.

Pick a form of distribution

Companies can ship products internationally from the U.S. via freight forwarders and fulfillment companies such as eFulfillment Service and Shipwire. The latter ships to Canada and the U.K., where it has warehouses that will transport goods internationally to any country covered by FedEx, UPS or the local parcel carrier. Businesses might also consider using export management software such as

Integration Point and TridentGLOBAL to help manage tariff schedules and foreign regulations. For the most control over shipment needs, companies could opt for a joint venture with a foreign company or establish a presence within the countries to which they export. Scott Layman, a co-owner of Zyvox, a specialty chemicals supplier in Ellijay, Ga., which exports to about 100 countries, subscribes to the latter strategy. "Having my own people there to handle interactions with customs, rotating inventory, and establishing bank accounts in the local currency made transactions effortless," he says.



Keep taxes in mind

However, keep in mind tax consequences, advises Jeffrey Olin, an expert in international tax for management consultancy Grant Thornton. Typically, representative offices establish preparatory services such as market research and coordinating between companies. However, if the office engages in any direct profit-making activities, "You may have an income tax liability, even if the product derives from the U.S.," Olin says. Plus, countries like China may levy a value-added tax, which is an indirect consumption tax on products and services. (For help wading through international tax laws and regulations, check out the U.S. Commercial Service and the District Export Council, as well as bankers and international law firms.)

Secure financing

Typically, commercial banks shy away from lending against foreign receivables, says Victor Sandy, the executive vice president of Global Commercial Credit, a business-credit insurance broker in Bingham Farms, Mich. That can be a problem for small firms in need of working capital to fulfill orders and sustain themselves until payments come in. However, you can address a bank's concerns and protect your company's foreign receivables from buyer default with insurance. To do so, Sandy suggests working with a bank that has a partnership with the Export-Import Bank of the United States. Currently, the Ex-Im Bank, which has partnerships with about 50 lenders, will generally provide insurance coverage of up to 95 percent of an invoice, at a cost of roughly 55 cents per \$100 of shipment for 60-day repayment terms.

Small firms might also check out the Small Business Administration's Export Working Capital Program, which offers a line of credit or a loan of up to \$2 million, as well as 90 percent guaranteed loans worth up to \$1.5 million. For small firms that qualify for this program, insurance through the Ex-Im Bank can be had for a 25 percent premium discount.

"You will have a far greater impact by focusing on two to three potential markets or regions where your business is needed than by trying to cast a net over an entire country."



Continued from page 6 Legislative Matters

Penalties

Under New York law, liquidated damages (penalties for failing to pay wages) are limited to 25 percent of wages due. The new law increases the potential liquidated damages to 100 percent of wages due, unless the employer is able to show that it had a “good faith basis” that the method of payment was lawful. Prejudgment interest and attorneys’ fees also remain available.

Further, any employee not provided with the new hire notice within 10 business days of his or her start date may bring a claim to recover \$50 for each workweek that a violation occurs and may recover up to \$2,500, plus attorneys’ fees. For statutory violations relating to a current employee, the employer may be liable for damages of up to \$100 per week and may recover up to \$2,500, plus attorneys’ fees.

Additionally, although businesses are criminally punishable for violations of the New York Labor Law, only corporations and their officers and agents are subject to penalty. The new law extends coverage to both partnerships and limited liability corporations.

Finally, the state Department of Labor has been given expanded powers to impose liquidated damages and toll statutes of limitations during investigations. Under the new law, the Department also has authority to require an employer to post a remedial notice of violation in the workplace.

Impact

The Wage Theft Prevention Act significantly increases the penalties for New York State Labor Law violations. To avoid these penalties, employers should review all aspects of their compliance with the New York Labor Law. This includes a review and modification of all form notices to comport with the new law, as well as a review of current classification and timekeeping practices. New York employers should take this opportunity to perform a 360-degree review of all their wage and hour practices.

Jackson Lewis attorneys are experienced in guiding employers through internal compliance reviews and are available to discuss these and other related labor and employment law issues with businesses with New York employees.

Continued from page 7 Health Care Reform Update

the court essentially threw up its hands and applied the general presumption only to strike the individual mandate provision and “directly-dependent provisions which make specific reference to [it].”

Although the severability question is far from clear, we think the best evidence of what Congress and the President would have done is found in the statements of its leading sponsors (including Sen. Baucus) and President Obama that the individual mandate was absolutely essential to the economic scheme in the rest of the act. In short, they would not have enacted the law without the individual mandate, and thus, the entire law should be struck down. Notwithstanding this possible error, the Fourth Circuit Court of Appeals and Supreme Court are free to reexamine this pure legal issue without deferring to any findings by the district court.

And even if the Supreme Court struck down the individual mandate but was also inclined not to strike down the rest of the act (for proper reasons or out of cowardice), the end result might still be similar. That’s because we think Sen. Baucus and President Obama got one thing right: the economic scheme in the rest of the act—and the prohibition against denying coverage for preexisting conditions—cannot survive without the coerced payments and coverage of the individual mandate. In short, Congress would have to open up the entire act again or the medical insurance industry would fail.

The other remedial issue was whether to grant Virginia’s request for a ruling enjoining the implementation of the individual mandate pending appeal, which requires a federal judge to make additional findings. Judge Hudson had no problem finding that Virginia was likely to win on appeal, but he did not think there likely would be “irreparable harm” if he did not enjoin the provision before the appellate court reviewed the matter. To the extent that Virginia has already argued that its implementation of preparatory steps will cause irreparable harm, it can also seek an injunction in the Fourth Circuit as well.



Fidelity NavigatorSM
Mutual Fund Newsletter

The Fidelity Navigator will be coming to your desk monthly, courtesy of the Council of Industry’s endorsed 401(k) company.

845-297-3810 • navigatornewsletters.com



CI Staff

Executive Vice President: Harold King

Director of Membership & Communication: Alison Butler

Director of Government Affairs: Karyn Burns

Website: www.councilofindustry.org

Ph: (845) 565-1355 **Fax:** (845) 565-1355

