Council of Industry

Newsletter

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Issue 7

Talking Shop and Jobs at Newburgh Free Academy

The sign hanging over the entrance to Academy Field at NFA was a joint project among the CAD, Architecture, Welding and Construction Career programs.

In Early June, some Council of Industry members toured Newburgh Free Academy's Vocational Education Program. It was a great experience seeing the wonderful facilities that students are able to train in, and the enthusiasm of the young people in the program was impressive. To begin the tour, Principal Melissa Siegel told the group, "We want to be your employment agency," a tall order to fill considering the varied companies in attendance – Fair Rite Products, Summit Lab, Orange Packaging, and IBM just to name a few. Yet by the end of the tour it seemed like a distinct possibility that with the right amount of communication and attention this could be a possibility.

The NFA administrators conducted the tour through the various classrooms and of their vocational education program, which on the last day of classes were all amazingly organized and still hard at work finishing projects and prepping for the end of school. The tour included the automotive shop where students service and repair cars, motorcycles, boats, and trucks. They handle all aspects of the automotive and mechanical repair business including ordering parts, scheduling appointments for oil changes and NY State Inspections. The shop was clean and orderly and the students were anxious to get to work.

Walking into the wood shop caused a few jaws to drop. Members on the tour were impressed with (maybe even a little jealous of) the machinery available. The students were using lathes and drill presses to produce beautiful book shelves and cabinets. Here students learn all aspects of carpentry and construction including masonry, drywall installation and finishing and flooring. Students from this class work together with students from the CAD Architecture class, and the Welding class to occasionally produce joint projects.

The welding shop offers students training in basic welding, including Oxyacetylene, MIG and TIG, in all welding positions: flat, horizontal, vertical and overhead . There were students cutting sheet metal with a plasma cutter that uses computer controlled design for more intricate applications. A student was busy welding a piece of a motorcycle trailer that had been designed in the shop. Another student was completing an aluminum frame for the school's solar car. This car won awards at a national competition and was a collaborative effort between the design, automotive, welding and science programs at NFA.

Next we toured the design room where students were CAD programs to produce 3D models. This class teaches Design & Drawing for Production, Architectural Design & Drawing, Future Design and Engineering Drawing using VersaCAD and AutoCAD. NFA has a 3D printer which students can use to produce prototypes. The program teaches students to make technical drawings and presentations, and students were working on designing everything from buildings to machine parts. The instructors emphasized that they are open to suggestions from companies as to what students need to learn in these classes to be skilled upon graduation and ready for the work place.

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Inside this Issue

Training and Education

Green Belt Program at DCC

When: Sept 18—Dec. 19 (see schedule of dates on our website) 8:30 am — 4:30 pm
Where: Dutchess Community College, Poughkeepsie, NY
Cost: Single participant $3,700, two participants $3,300 each, three or more participants $2,997 each

Register: Contact Virginia Stoeffel, Dean DCC, at (845) 431-8908 or virginia.stoeffel@sunydutchess.edu.

Lean Six Sigma has become a significant force within organizations in all sectors to optimize processes and drive out waste. The Green Belt training provides individuals with the tools necessary to clearly define a problem, gather and analyze data and information, and implement improvements that can be sustained. The results have been outstanding, with many organizations reporting significant financial benefits, enhanced customer satisfaction, and reduced costs.

The Green Belt program will be meeting from September 18th to December 19th. These sessions are highly interactive, and include classroom assignments and structured exercises. In addition, these participants are required to utilize the tool learned in the training on a project specific to their organization. The benefits of these projects typically more than cover the cost of the training.

Rochester Institute of Technology, is a leader in Lean Six Sigma training, will be providing the instructional staff. RIT has worked with over 100 organizations and trained thousands of individuals in manufacturing, service, healthcare, and education sectors.

For a schedule of dates and topics go to :http://www.councilofindustry.org/training/category_courses.html#greenbelt

Time to Register for Regulatory Refresher Training: HazMat, RCRA, HAZWOPER and 10 hr OSHA

Now is the time to register for Regulatory Refresher Training offered this fall by the Council of Industry. Last year some courses were filled to capacity and individuals had to be wait listed so be sure to secure your seat early. There are four classes offered and more details and online registration are available on the Council of Industry website at www.councilofindustry.org/training/category_courses.html#regulatory.

DOT Hazardous Materials Training
Dates: September 19, 2013*
Time: 8:30 am - 12:30 pm
Location: To be determined*
Cost: $120 single member, $110 each for two or more form the same company

RCRA Hazardous Waste Training
Dates: October 3, 2013*
Time: 8:30 am - 12:30 pm
Location: Chemprene, Beacon, NY*
Cost: $120 single member, $110 each for two or more form the same company

HAZWOPER Training
Dates: October 17, 2013*
Time: 8:30 am - 4:30 pm
Location: To be determined*
Cost: $240 single member, $220 each for two or more form the same company

10 Hour OSHA Training
Dates: October 29 & 30, 2013*
Time: 8:00 am - 1:00 pm
Location: Chemprene, Beacon, NY*
Cost: $120 single member, $110 each for two or more form the same company

For more information or to register online go to: www.councilofindustry.org/training/category_courses.html#regulatory. Or call (845) 565-1355 or email training@councilofindustry.org.

* Dates and locations are subject to change based on availability.

Council News

Human Resources Sub-council: Planning for the Employer Mandate Under the Affordable Care Act

When: September 20th, 8:30 - 10 am
Where: Simulaids, Saugerties, NY
Speaker: Amy Klein, Bond, Schoeneck & King PLLC
Cost: Free to members
To Register: Email Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.

The effective date for the "shared responsibility payment" for failure to offer health coverage to full-time employees may have been delayed, but the preparation has not! In this session we will explore who is an "applicable large employer" that must offer coverage, what coverage must be offered, and how to determine who is a "full-time employee" eligible for the coverage.

Amy Klein, Bond, Schoeneck & King PLLC, will cover these items in her presentation on Planning for the employer mandate under the Affordable Care Act. Ms. Klein is a graduate of the University at Albany, State University of New York and Fordham University School of Law. She advises employers of all types and sizes on the design and compliance of employee benefit programs, including all types of retirement plans, health and welfare plans, cafeteria and flexible spending account plans, severance and early retirement incentive programs, incentive compensation and nonqualified deferred compensation arrangements

To register please email Alison Butler: abutler@councilofindustry.org. or call (845) 565-1355.

Save the Date! November 1st is the Council of Industry's Annual Luncheon and Member/ Associate Member Expo!

Mark your calendars now for this event.. This year's speaker is Ned Monroe, the senior vice president of external relations for the National Association of Manufacturers (NAM). Mr. Monroe is responsible for public affairs activities, including grassroots engagement, issue advocacy and election programs. His team also is responsible for allied organizations, affiliated state associations and meetings management. The NAM is the nation's largest industrial trade association, representing nearly 12,000 manufacturers in every industrial sector and in all 50 states. Our mission is to be the voice of all manufacturing in the United States and inform policymakers about manufacturing's vital role in the U.S. economy.

Look for registration and sponsorship information in the Weekly Update and Septembers CI Newsletter.

Join us for the Council of Industry Golf Outing on August 26th

When: Monday, Aug 26th, 11:30 Lunch, 12:30 shotgun start

Where: The Powelton Club, Newburgh, NY

Cost: $165 per person, $600 for a foursome

The Council of Industry will hold its Annual Golf Outing on Monday, August 26th at the Powelton Club in Newburgh. The Powelton is a beautiful course conveniently located just off of Route 9W in Newburgh, NY. Last year's event drew over 60 golfers from manufacturing firms throughout the Hudson Valley. Even with a brief rain storm it was still one of the best events of the year.

Registration and lunch will begin at 11:30 followed by a shotgun start at 12:30. Cocktails and a light dinner will follow at approximately 5:00 p.m.

The $165 fee ($600 per foursome) includes: lunch, golf, cart, cocktails, hors d'oeuvres, dinner, prizes and giveaways. Follow this link to register:

A variety of sponsorships are available. Sponsors help make this event possible and one of the most enjoyable of the golfing season. Please support the Council of Industry and Hudson Valley manufacturing by becoming a sponsor. Follow this link for more info: http://www.councilofindustry.org/events.html

We would like to thank the following sponsors:

Hole-in-One – Thank you: The Reis Group

Prize - Elna Magnetics, Direct Energy Business, Verticon Construction Services

Tee signs - The Chazen Companies, Armistead Mechanical Inc., Armistead Mechanical Services, Ethan Allen Personnel Group, Rondout Savings Bank, Eastern Alloys, Advanced Coating Technologies, Pawling Corp.

To register contact Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.

Or go online to : http://www.councilofindustry.org/events.html

Personnel Matters

Follow these five strategies, ranging from building employee self-esteem to adopting a zero-tolerance policy and more, to help put an end to workplace bullying.

5 Strategies to Combat Workplace Bullying

By Laura Walter, From ehstoday.com

Anyone in the working world knows that bullies pop up on more than just playgrounds: They also can be found in the workplace.

Workplace bullying can take various forms. Bullies may constantly criticize their peers or their subordinates, they may yell at employees in front of other colleagues or they may gossip about, pick on or ignore certain workers. Regardless of the form bullying takes, company leadership must prevent such behavior and make the workplace a safe place for all employees.

"It can be incredibly hard stand up to bullying, especially if no one else is challenging the behavior," said Cynthia Lowen, producer and writer of the documentary film Bully.

In their book, The Essential Guide to Bullying: Prevention and Intervention, Lowen and school social worker Cindy Miller offer suggestions to help employers create safe environments and prevent bullying. Their strategies include:

1. Help others understand what bullying looks like among adults. Bullying in the workplace is different from the playground shoves and name-calling observed in children. Devote a portion of time in a staff meeting to talk about appropriate and inappropriate behavior and help your team identify problem situations.

2. Establish a zero-tolerance policy. Take accusations of bullying seriously, and make it clear to colleagues that such behavior, whether from a peer or a client, won't be tolerated.

3. Train staff members on appropriate ways to handle conflict and criticism. Teach conflict-resolution skills through formal training sessions. Work with your staff to understand when negative feedback is appropriate and how to give it with respect. Confront inappropriate behavior quickly and privately.

4. Build self-confidence and capacity in employees. Competent and self-confident individuals are less likely to be bullied and more likely to ask for help when needed. Invest in workforce development to strengthen skill sets and make each employee's capacity for contribution evident.

5. Make sure you're not the bully. Many survey respondents report being bullied by their boss or another person with seniority in the organization. Review your own actions and consider if your behavior might cross the line to bullying. Ask the guidance of a trusted colleague, and seek help if needed.

More Personnel Matters

Motivate Your Team: 6 Tips For Managers

By Christina Lattimer, HR.com

Whenever I have interviewed managers and asked what they do to motivate their team, the answer to this question displays a manager's level of self-awareness and confidence about what makes people tick. Often, great motivators are unconscious of the gifts they have as they are natural people managers, or conversely they have made a conscious decision to develop a good understanding of people, and been open and willing to learn what they have to do to get the best out of their team.

If you are a manager and are not sure how to motivate your people, here are 6 practical ways you can improve levels of engagement and increase the commitment and enthusiasm of your team.

People are either “towards” or “away” motivated. “Towards” motivated people need to have their own vision for themselves (hopefully linked to the company vision, but not always), and once they have a picture of what they want then they will work hard to achieve that vision. For these people, your job is to help them develop a personal vision within the company.

With “away” motivated people, you need to be able to help them articulate what they don't want, so necessary actions can be taken to move away from these possibilities. These people fear the consequences of not taking appropriate action or making much needed changes. Your job is to help them develop the necessary drivers for change. For example, they may feel motivated because they don't want to get left behind or their jobs may disappear.

People thrive on being able to make decisions and feeling in control. As a manager you can support people by allowing them as much autonomy as you can. The best way is to agree outcome based objectives or goals, without being too prescriptive about “how” outcomes will be achieved. Give your team permission to try different ways and allow them to “fail and learn”.

Instead of having team meetings, hold team “problem solving sessions”, or “driving up performance sessions”. Encourage your team members to have a say in how collective issues, problems or challenges are approached and solved.

Celebrate success. There is no doubt, what you focus on is what you get. If you continually focus on what goes wrong, then you will encounter more of what goes wrong. By celebrating success both as a team and with individuals, you will find more and more to celebrate. Successes can be a range of things. Encourage team members to note when things are going well and when they feel good about something they have achieved, no matter how small, it may seem.

Think, say and act as if you believe the best in your team. Develop a mind-set whereby you believe that people are doing their best and will do better when they know better. Tell people what you appreciate about their contribution, and find ways to internally and externally communicate your belief in them. If things go wrong, then focus on the lessons to be learned, and don't personalise behaviour.

Never expect less than the best, and eventually that is precisely what you will get with your team. When you expect and respond positively to great contribution and good outcomes; mediocre and lack lustre performance, or performers will slowly but surely fade away.

Give your team permission to try different ways and allow them to “fail and learn”. Instead of having team meetings, hold team “problem solving sessions”, or “driving up performance sessions”.

Legislative Matters

Confidentiality and Non-Disparagement Provisions in Employment Agreement Unlawful, NLRB Holds

From www.jacksonlewis.com, a Council of Industry Associate Member

Applying the principles it has used primarily to evaluate handbook rules and personnel policies, the National Labor Relations Board has held that confidentiality and non-disparagement provisions contained in an employment agreement are unlawful under the National Labor Relations Act. Quicken Loans, Inc., 359 NLRB No. 141 (June 21, 2013).

The employer, which provides mortgage loan services, required its mortgage bankers to sign a "Mortgage Banker Employment Agreement." The Agreement contained a provision about the use and disclosure of "Proprietary/Confidential information." It included among such information:

…all personnel lists, rosters, personal information of co-workers, managers, executives and officers; handbooks, personnel files, personnel information such as home phone numbers, cell phone numbers, addresses and email addresses.

The Agreement also contained a non-disparagement provision:

Non-disparagement. The Company has internal procedures for complaints and disputes to be addressed and resolved. You agree that you will not (nor will you cause or cooperate with others to) publicly criticize, ridicule, disparage or defame the Company or its products, services, policies, directors, officers, shareholders, or employees, with or through any written or oral statement or image (including, but not limited to, any statements made via websites, blogs, postings to the internet, or emails and whether or not they are made anonymously or through the use of a pseudonym). You agree to provide full cooperation and assistance in assisting the Company to investigate such statements if the Company reasonably believes that you are the source of the statements. The foregoing does not apply to statutorily privileged statements made to governmental or law enforcement agencies.

Applying decisions in which it found similar language contained in handbook rules unlawful, the NLRB decided that both provisions violated the NLRA. The Board quoted the test used to evaluate rules set forth in Lutheran Heritage Village-Livonia, 343 NLRB 646 (2004):

Our inquiry into whether the maintenance of a challenged rule is unlawful begins with the issue of whether the rule explicitly restricts activities protected by Section 7. If it does, we will find the rule unlawful.

If the rule does not explicitly restrict activity protected by Section 7, the violation is dependent upon the showing of one of the following: (1) employees would reasonably construe the language to prohibit Section 7 activity; (2) the rule was promulgated in response to union activity; or (3) the rule has been applied to restrict the exercise of Section 7 rights.

The NLRB particularly held that the provisions of the confidentiality section regarding "personnel information" explicitly restricted NLRA Section 7 protected concerted activities, such as employees discussing with others, including fellow employees or union representatives, their wages, benefits or contact information. The NLRB also found that employees would reasonably construe the entire non-disparagement provision as interfering with their right to engage in protected concerted activities, such as criticizing their employer and its products. It held unlawful language that restricts employees from "publicly criticiz[ing], ridicul[ing], disparag[ing] or defam[ing]" the company or its products. The Board noted, "Within certain limits, employees are allowed to criticize their employer and its products as part of their Section 7 rights…."

This case underscores that it is not only handbook rules and policies that are in the NLRB's crosshairs. Any employer documents governing the relationship between an employer and its employees are potentially subject to NLRB scrutiny and a finding of unlawfulness. Employers should continue to scrutinize their rules and policies, but they also should consider reviewing other documents, such as performance evaluation forms, employment applications, and employment agreements, to ensure they do not run afoul of Board law.

This Update is provided for informational purposes only. It is not intended as legal advice nor does it create an attorney/client relationship between Jackson Lewis LLP and any readers or recipients.

Healthcare Reform Matters

Employee Benefits: Implementation of the Employer Mandate Provisions of the Affordable Care Act Delayed Until January 1, 2015

From Bond, Schoeneck & King PLLC, a Council of Industry Associate Member

The Treasury Department has announced that the implementation date for the employer mandate provisions of the Patient Protection and Affordable Care Act ("ACA") (i.e., the provisions requiring employers with 50 or more full-time employees to provide affordable, minimum value health coverage to full-time employees or pay a penalty to the federal government) has been delayed until January 1, 2015. The employer mandate provisions had been scheduled to take effect on January 1, 2014. In its announcement, the Treasury Department indicated that the delay was in response to concerns regarding the complexity of the rules and the administrative challenges posed by the reporting requirements. The Treasury Department stated that the delay would afford the administration additional time to issue simplified reporting rules and give employers time to adapt their health coverage and reporting systems to conform to the rules.

As a result of the implementation delay, employers will not be subject to any penalties for the failure to provide affordable, minimum value coverage to their full-time employees for 2014. However, the delay applies only to the employer mandate portion of ACA. Other ACA changes scheduled to be fully effective in 2014 (including the individual mandate, the required employer-provided notice regarding the availability of exchange coverage, the 90-day waiting period rules, the prohibition on pre-existing condition limitations for all individuals, the out-of-pocket and cost-sharing limitations, and the prohibition on any annual and lifetime benefit limits) will take effect without delay, unless the agencies provide further relief.

While some employers might consider taking a "breather" from some of their ACA compliance efforts, the delay isn't broad enough to ignore ACA altogether until 2014. Indeed, some employers should view the delay as a renewed opportunity to do some compliance planning, without the pressure of a looming effective date.

The Treasury Department has indicated that formal guidance regarding the delayed employer mandate implementation date will be issued soon.

While some employers might consider taking a "breather" from some of their ACA compliance efforts, the delay isn't broad enough to ignore ACA altogether until 2014. Indeed, some employers should view the delay as a renewed opportunity to do some compliance planning, without the pressure of a looming effective date.

The Council of Industry Human Resource Sub-council will meet for a presentation by Amy Klein, from Bond, Schoeneck & King PLLC on " Planning for the Employer Mandate Under the Affordable Care Act." Ms. Klein will discuss the effective date for the "shared responsibility payment" for failure to offer health coverage to full-time employees may have been delayed, but the preparation has not! In this session we will explore who is an "applicable large employer" that must offer coverage, what coverage must be offered, and how to determine who is a "full-time employee" eligible for the coverage.

The meeting will be on Friday, September 20th, from 8:30 –10 am at Simulaids in Saugerties, NY. There is no cost to attend for Council of Industry members. To register email Alison Butler abutler@councilofindustry.org or call (845) 565-1355.

EHS Matters

The Benefits of Staying SHARP

Once a company receives SHARP status, it is expected that they will be a leader in their industry by providing a safe and healthful work place and maintaining exemplary injury and illness prevention programs.

Over the last few years many Council of Industry members have decided to join OSHA's Safety and Health Achievement Recognition Program. Saugerties based Elna Magnetics is the most recent member to achieve SHARP status, receiving the honor in a ceremony at their plant on June 10th. Like the other firms that have joined this elite group of small businesses that maintain exemplary injury and illness prevention programs, Elna Magnetics will be granted an exemption from OSHA programmed inspections for up to two years, and subsequent renewal for up to three years.

The SHARP program requires companies to work with OSHA to identify and implement best practice to protect workers from all safety and health hazards and to develop an innovative injury and illness prevention program. Companies are expected to create a culture that emphasizes a safe and healthful workplace. This includes good communication between workers and management and encouraging safety in the community as well.

There are a variety of benefits to having SHARP status. Companies can save money by receiving lower workers compensation insurance premiums and reducing worker days away from work as production which helps operations run more smoothly. Once a company receives SHARP status, it is expected that they will be a leader in their industry by providing a safe and healthful work place and maintaining exemplary injury and illness prevention programs. In turn, this reputation should attract skilled workers, reduce turnover and improve retention. Employees are more than just worker bees, they are friends and part of our community so health and safety are key components to maintaining an engaged workforce and a vibrant community outside of the workplace.

According to Lou Lane, Managing Partner at Elna Magnetics, "We have been using the services of the Department of Labor, Division of Safety and Health for many years to train our employees, hone our documentation, monitor our air quality and noise levels, inspect our facility for safety and health hazards and make recommendations for safety and health improvements. As a result of our cooperative efforts, our injury levels fell below the national average making us eligible to participate in the SHARP program. To be accepted into the program, three representatives from the DOL assessed our safety program from top to bottom. Once they were satisfied that we met the requirements of SHARP, they recommended Elna to be accepted into the program which OSHA immediately approved. According to the Department of labor about one third of one percent of small businesses in New York State are SHARP certified."

There is more information on the OSHA website, http://www.osha.gov/dcsp/smallbusiness/sharp.html, for companies interested in pursuing SHARP status. Companies may even receive Pre- SHARP status as they work towards their goals which can allow them to be granted a deferral from OSHA programmed inspections.

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Manufacturing Job Opportunities

If you have job openings and positions to fill:

- *Post it on the Council of Industry Website www.councilofindustry.org*
- *Look at resumes from our member recommended **For Hire page***

Contact Alison at abutler@councilofindustry.org for more info.

CI Calendar of Training and Events

Aug 26	**Council of Industry Golf Outing**— 11:30 Lunch, 12;30 Shot-gun start at the Powelton Club, Newburgh, NY. Cost $165 per person or $600 for a foursome.
Aug 26	**Ad Deadline for HV Mfg**
Sept 18	**Lean Six Sigma Greenbelt Training Begins**— 8:30 am—4:30 pm at Dutchess Community College in Poughkeepsie, NY. Cost $3,700 single person, $3,300 each for two participants, $2,997 each for three or more.
Sept 19	**DOT Hazardous Materials Training**—8:30 am—12:30pm at a location to be determined. Cost: $120 single member, $110 each two or more from the same company.
Sept 20	**HR Sub-council: Planning for the Employer Mandate Under the Affordable Care Act**—8:30—10:00 am at Simulaids, Saugerties, NY. No cost for members.
Oct 3	**RCRA Hazardous Waste Training-** 8:30 am—12:30 pm at Chemprene, Beacon, NY. Cost: $120 single member, $110 each two or more from the same company.
Oct 17	**HAZWOPER**— 8:30 am—4:30 pm at a location to be determined. Cost: $240 for a single member, $220 each for two or more from the same company.
Oct 29,30	**OSHA 10 Hour**—8:00 am—1:00 pm at Chemprene, Beacon, NY. Cost $120 for a single member, $110 each for two or more from the same company.
Nov 1	**Annual Luncheon and Member/Associate Member Expo**

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 and click the course title.

The CI Newsletter is sponsored by ColorPage

Energy Matters

Obama Climate Plan: Coal Down, Electricity Prices Up

From GDF Suez

Coal accounts for about 20 percent of all demand and generates about 40 percent of all power; more than 90 percent of the coal consumed in the United States is used to produce electricity.

For all of the back and forth that followed the announcement of President Obama's climate change agenda, two basic assumptions seemed to emerge:

First, the nation's coal-fired fleet of power plants is likely to get smaller. And second, Americans' electricity bills are likely to get bigger.

In a speech June 25 at Georgetown University, Obama announced a far-reaching plan to reduce the heat-trapping gases that are widely blamed for causing global warming. At the heart of his proposal are limits on carbon dioxide emissions from the nation's power plants, a proposal that Jim McTague of Barron's writes will essentially make them "too costly to operate."

Coal is a significant player in the American energy picture. It accounts for about 20 percent of all demand and generates about 40 percent of all power; more than 90 percent of the coal consumed in the United States is used to produce electricity. At the same time, however, power plants account for 40 percent of CO_2 emissions – most of it coming from burning coal (although emissions have dropped, falling 15 percent since 2005).

So on the surface, at least, the Obama Administration's focus on power plants might seem logical. But dig a little deeper, and the issue becomes less clear-cut.

To begin with, it's been estimated that up to a third of the nation's coal-fired plants may shut down in the wake of the new rules. Kevin Book, an analyst with ClearView Energy Partners, told McClatchy Newspapers that the President's strategy – combined with previously announced mercury regulations – had the potential to accelerate those closures in the next decade. The American Coalition for Clean Coal Electricity added ominously: "Coal power could cease to exist."

The costs of complying with Obama's plan are estimated to be in the billions. To cite just one example, it would require a \$430 million investment to install CO_2 control equipment at a 2,100-megawatt coal-fired plant in Colstrip, Montana, and an additional \$900 million annually in operations and maintenance costs. That translates to \$53 for every ton of coal burned, the Associated Press reported, or about five times the price of the fuel itself.

But the utility industry wouldn't be alone in paying the price – literally and figuratively – of the new rules.

As more and more coal plants are shuttered, reliability becomes an issue. McTague, of Barron's, said Obama has engendered some "unintended consequences" with the climate plan, including "the real possibility of blackouts in New England and the Midwest, where coal makes up a sizable portion of the generating industry's energy portfolio."

Then there's the matter of electricity prices – which most experts believe will go up, though to what degree is anyone's guess. Taking relatively cheap coal off the grid clearly has the potential to increase costs for residential and commercial users. And analysts have concluded that there is a connection between reduced CO_2 emissions and higher retail power prices.

Hugh Wynne of Bernstein Research has estimated that cutting carbon dioxide emissions by 20 percent (Obama's target is 17 percent by 2020) would boost prices by about 1 cent per kilowatt hour, adding roughly \$9 to the average monthly bill.

Of course, the winner in all of this would appear to be natural gas.

"Increasing costs to burn coal would prompt utilities to use more existing capacity for natural gas and other fuels and to build new plants to increase that type of power generation," The Wall Street Journal said. Michael Shellenberger echoed that

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Manufacturing Matters

Lessons from the Road: Eliminating Waste in Your Personal Work

From Industry Week, By Jamie Flinchbaugh

Some studies have found that the average person has two to six hours of waste for every eight hours they are at work.

How many of you leave your work feeling like none of your day was a waste? Very few, I suspect. Some studies have found that the average person has two to six hours of waste for every eight hours they are at work. Most waste elimination is focused on organizational waste; we sometimes forget to improve ourselves.

How do you eliminate waste for yourself?

1. Define your own ideal state. Just like the customer defines value and therefore waste for the organization, your own ideal state can help define your personal waste. One hotel general manager defined her ideal state as "never to have to talk to a guest again."

While that doesn't sound like a good ideal state for the guest business, for her it was perfect. Guest conversations were only an escalation of problems. Her new customer was her staff, and her new definition of value was making processes work for them every time. And waste was anything that wasn't helping her serve that end.

2. Assess your current state. You then need to identify the waste in your own work. The seven wastes of lean still provide a lens and a language to identify waste in your own work. Ask yourself these questions:

Transportation: How many handoffs do I have in my work? Inventory: How big is my queue of work tasks? Motion: How much time do I spend searching for information? Waiting: Does my work sit idle waiting for other tasks or information? Overproduction: Do I perform some tasks long before they are needed, while other tasks are late? Overprocessing: Do I do more than is necessary, such as three-paragraph emails where one sentence will suffice? Defects: Do I have tasks I must rework?

Keep a list of what you are looking for, and make notes when you observe those specific instances. Identify the cause of that waste. You aren't going to eliminate everything, and certainly not all at once. But if you have multiple observations, you can make choices about the best opportunity to improve.

3. Develop specific solutions for specific waste instances. Don't try to eliminate waste in broad themes.

One executive noticed the waste from frequent requests for small bits of information. Each one was a status update or small change in direction. Working with his team, he established a visual management system and had 15-minute daily meetings over the board to talk about status and priorities. Most anything that required small bits of information was handled in this one compact meeting. As a result, his email traffic was reduced by 80%, a significant reduction in waste.

A purchasing manager had a large number of reports that he generated and shared with the organization. He didn't know if he was providing value or not. He went to ask each of the recipients what value the reports provided. He found out that the answer was "very little.” Half of his reports disappeared entirely, and the other half he restructured to deliver the value desired by the recipients.

4. Make the improvements systemic. Once waste is eliminated, it tends to creep back in. Unless you build your own personal systems to keep the waste out, you are swimming upstream.

Building standard work for yourself can assure that your week is spent on the most valuable tasks. Measure how many days you take to complete your top priorities. This is a good indicator that you are eliminating waste and providing value. It's a simple indicator, and it tells you if changes are necessary.

For the earlier example about reports, instead of one isolated conversation you could make it systematic. One training manager we worked with visited his internal customers every quarter. He asked them, "On a scale of one to five, how am I doing at providing value to you?” Every quarter, he was able to reassess his own performance.

One of the most common complaints I hear is that we don't have enough time to improve. If you eliminate waste from your own work, that time saved can be reinvested in improvement over and over.

Financial Matters

Benefits and Tax Consequences for Employers of Supreme Court DOMA Ruling

From JacksonLewis.com, a Council of Industry Associate Member

The U.S. Supreme Court's finding unconstitutional the Defense of Marriage Act (DOMA) provision denying recognition of the marital status of same-sex couples under federal law leaves many questions about the post-DOMA application of various federal employee benefit and tax rules. (See our article, U.S. Supreme Court Rules Legally-Married Same-Sex Spouses Entitled to Federal Recognition and Lifts California Ban on Same-Sex Marriages.) While government guidance is expected, this article explores the implications thus far of the decision on the benefit and tax issues. For this purpose, we consider only benefits that are subject to special federal tax rules and/or the Employee Retirement Income Security Act (ERISA).

Recognition of same sex marriage under federal tax and benefits law primarily affects:

1. Mandated spousal rights under tax-qualified retirement plans and COBRA continuation coverage; and

2. Federal tax treatment of benefits provided to eligible spouses, including tax treatment of coverage under group health plans and working condition fringe benefits.

In the case of other benefits subject to ERISA (and ERISA preemption of state law), principally group health insurance, employers continue to have the right to define the type of spousal relationships (and/or domestic partner relationships) that will be eligible for coverage. (There is one important caveat for benefits provided through insurance discussed in the "Group Health Plans" section below.)

Tax-Qualified Retirement Plans

Generally, tax-qualified retirement plans include 401(k) plans, 403(b) plans, money purchase pension plans and defined benefit pension plans (including cash balance pension plans). The federal law definition of spouse will affect the following areas:

Spousal consent to payments to nonspouse beneficiary. This requirement applies to 401(k) plans and all other tax-qualified retirement plans.

Spousal right to a qualified joint and survivor annuity from a money purchase pension or a defined benefit pension plan. This requirement does not apply to 401(k) or other defined contribution plans unless the plan offers a joint and survivor payment option (this is relatively rare).

Spousal consent to early payment of plan benefits. Depending on plan design, this requirement typically will not apply 401(k) or other defined contribution plans.

Spousal consent to plan loans. As above, depending on plan design, this requirement typically will not apply.

Somewhat more favorable rules for tax-free rollovers of plan distributions.

Division of participant retirement benefits in a divorce or legal separation pursuant to a qualified domestic relations order.

Group Health Plans

Currently, there is no federal law that mandates group health plan coverage based on marital status. Because ERISA preempts state law, a state law definition of spousal status generally will not be relevant and an employer can define spousal status for plan coverage purposes as they choose.

There is one caveat: the rules are somewhat more complicated when an employer provides health benefits through insurance. (Note that benefits provided to a participant in an HMO are considered to be insured.) ERISA permits a state to regulate insurance and benefits provided through insurance — a special exception to the general ERISA preemption of state laws referred to as the "insurance savings clause." Based on this exception, the Supreme Court held in Metropolitan Life Insurance Co. v. Massachusetts, 471 U.S. 724 (1985), that a state can mandate that an insurance policy provide certain coverages or benefits. An employer who buys the regulated policy indirectly becomes contractually bound to provide the state-mandated coverages and benefits. In the same case, the Supreme Court also made clear that the exception to ERISA preemption under the insurance savings clause does not apply to self-insured welfare plans.

If a state requires insurance policies provide coverages or benefits to same-sex spouses or domestic partners, an employer who purchases a policy subject to those requirements will become contractually bound to provide those benefits.

COBRA Coverage

If an employee's spouse is covered under the employee's group health plan immediately prior to a COBRA-qualifying event, then the spouse is entitled to elect COBRA coverage. The COBRA entitlement question is determined by whether or not the spouse was covered under the plan prior to the COBRA-qualifying event.

In addition, an employee who previously elected single coverage under COBRA has the right to change the coverage election at the time of open enrollment. If the plan at that time permits coverage for same-sex spouses of active employees, then the same option will have to be offered to individuals receiving COBRA coverage.

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Federal Tax Treatment
The federal tax treatment of certain benefits depends upon spousal status. Most importantly, tax-free treatment of the cost of group health benefit coverage and benefit payments, pre-tax contributions under a Section 125-cafeteria plan and certain working condition fringe benefits depend upon the definition of spouse used in the Internal Revenue Code.

Federal Definition of Spouse
As of this writing, neither the Internal Revenue Service, the Department of Labor nor any other federal agency has announced how "spouse" will be defined for purposes of the various federal statutes that include spousal rights.

Prior to the enactment of DOMA, the IRS looked to state law to determine marital status for federal tax purposes. See IRS Revenue Ruling 58-66. The IRS likely will return to that position.

An even more interesting aspect of IRS Revenue Ruling 58-66 was the agency's treatment of individuals who entered into a common law marriage in a state recognizing such marriages and later moved to a state that did not recognize common law marriage. In that situation, the IRS stated that it would continue to recognize the marriage for federal tax purposes.

It would not be surprising if the IRS applies the same rule to same-sex marriages for federal tax and benefit purposes. That is, as long as a couple marries in a state that recognizes same-sex marriage, that marriage would continue to be recognized for federal tax purposes if the couple moved to another state that did not recognize same-sex marriage. The IRS has announced that it would address this issue shortly.

<u>**Other Issues**</u>

Retroactivity
The most important question is whether the post-DOMA definition of spouse will be applied retroactively for federal tax or benefit purposes.

Given the significant administrative difficulties retroactive application could create, a wait-and-see approach should be considered. However, an employer may wish to file a protective refund claim for the employer portion of FICA (Social Security and Medicare) taxes. The oldest open tax year currently is 2010.

Employer-Defined Coverage
It is important to note that, other than with respect to retirement plans, and possibly certain insured group health plans, employers remain free under current law to define which type of spousal relationships will be eligible for coverage under plans subject to ERISA. Because of ERISA preemption, an employer is not obligated to adopt state law marital definitions in applying those plans.

Gross-Up Coverage
Employers who previously "grossed up" employees to cover the additional federal taxes owed for coverage of same-sex spouses should review those policies to adjust to the change in the federal tax treatment. On the other hand, employees who elect coverage for domestic partners who do not meet the requirements to be legally married under state law will still be subject to additional federal taxes for such coverage.

Since there is no universal definition of spouse, employers should review all benefit plans and policies to determine where the term "spouse" is used and whether it is adequately defined.

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Consumer Price Index for June 2013

				Point	%	% Increase
Wage Earners & Clerical	**Jun. '12**	**Jun. '13**	**May '13**	**Increase**	**Month**	**Year**
1967=100	673.29	685.10	683.31	1.80	0.3	1.8
1982-84= 100	226.04	230.00	229.40	0.60	0.3	1.8
All Urban Consumers						
1967=100	687.42	699.47	697.80	1.67	0.2	1.8
1982-84=100	229.48	233.50	232.95	0.56	0.2	1.8
Hudson Valley unemployment rate for May 2013 = 6.6%						

The instructors would appreciate feedback from manufacturers about the skills they are looking for and what is required for young people to find jobs in the industry.

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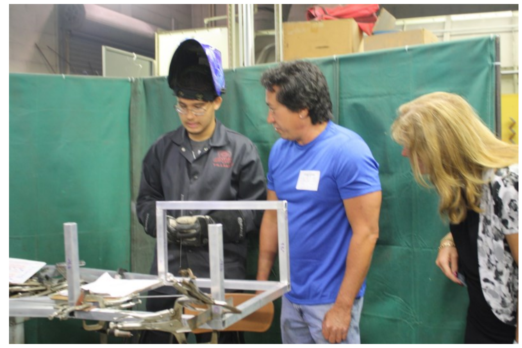
The is an electronics shop where students are assigned an old computer which they are given parts to use in rebuilding it and then allowed to keep the final product. Students learn the basics of computer repair, computer science, basic digital theory, troubleshooting and repair techniques for computers and peripherals. Students will also learn basic electric circuitry and wiring, AC and DC theory, semiconductor theory and application, schematics, and the use of testing equipment.

The students were all courteous and knowledgeable when asked questions. They were very excited to share their work and hopefully find summer work as a paid intern at a local manufacturing company.

The instructors would appreciate feedback from manufacturers about the skills they are looking for and what is required for young people to find jobs in the industry. If you would like to find out more about this program please contact John Etri, Director of Vocational and Technical Education via email at jetri@necsd.net.



Above: CI Members discuss welding with an NFA student. Below: Students setting up the auto shop for the day.

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EHS Matters

It is important to remember that participation in SHARP does not eliminate the responsibilities of owners or rights of workers under OSHA. The following incidents can trigger an OSHA enforcement inspection at SHARP sites: formal complaints, fatality, imminent danger situations and any other significant events as directed by the Assistant Secretary of OSHA.

"The Department of Labor, Division of Safety and Health is a little known and underutilized service that is free to small businesses. They provide free consultation and training. It's the best deal you can find. We were lucky to stumble on to it. I strongly urge other smaller businesses to look into what they have to offer. I have been to safety seminars where vendors are selling the same services the DOL provide for free. If anyone would like to call me to get contact information, I would be glad to talk to them," explained Lane about the opportunities that small and mid-sized manufacturers have to enhance their programs. The Council of Industry encourages our members to find out more about the service available to companies to improve their health and safety programs.

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Energy Matters

on the Energy Collective blog, writing, "(T)he specter of forthcoming carbon dioxide regulations will likely accelerate the closing of older coal plants and provides greater certainty for gas producers that any comeback from coal will be limited."

The Heritage Foundation, on the other hand, sees a dark pricing cloud on the natural gas horizon. In an upcoming paper, it argues that reducing the supply of coal would put "upward pressure" on natural gas prices. The analysis finds that "significantly reducing coal's share in America's energy mix would, before 2030, raise natural gas prices by 42 percent."

So does all of this mean coal is on life support? Perhaps not, as reports of its demise may be exaggerated.

"King Coal is not going to die," Kenneth Medlock III, director of the Center for Energy Studies at Rice University's Baker Institute in Houston, told National Geographic. "There has been tremendous demand for coal globally and we've seen U.S. exports of coal rising to Asia and Europe, even, surprisingly, to Germany where the green movement is so powerful.

"So I think while we'll stop burning as much here because of environmental restraints we'll export it. The industry isn't going away and we have more than 25 percent of the world's coal resources locked up here in the United States."

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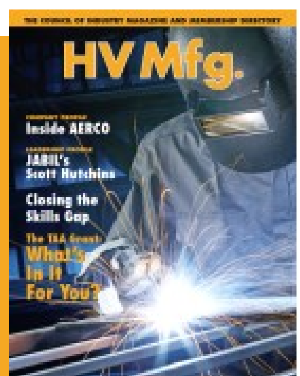

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