

CI NEWSLETTER

The Council of Industry of Southeastern New York

April 2008

The Manufacturers Association of the Hudson Valley

Volume 12 Issue 4

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Manufacturers Feel Affects of Commodity Run-up: Higher Prices for Grain, Metals, and Energy Hurt Bottom Line

While a cheap dollar holds some advantages for American Manufacturers, namely making our products relatively less expensive than those of other nations, it presents some disadvantages as well. Specifically many economists believe that the cheap dollar is in large part responsible for the recent run up in commodity prices. A run up that has meant higher costs for manufactures for everything from grain to natural gas to gold.

These economists believe the commodity price boom is rooted in the Fed's weak dollar policy, and not in a change in "relative prices" due to rising global demand. The Wall Street Journal argues "Commodity prices have soared since September in particular, even as the world economy has slowed down. The 'global demand' argument has become a Wall Street-Washington excuse for easier money in the mistaken belief that the Fed can inflate away U.S. credit problems. Instead, the commodity boom has hurt consumer and business confidence precisely when they are most needed."

In short lower interest rates equal a cheaper dollar and higher prices.

Since manufacturers are the heaviest users of the commodities this run-up in prices hits them hard and fast. Yes lower interest rates make it easier to borrow and yes the cheap dollar makes their products less expensive abroad, but it also raises the costs of production substantially. Add to this the fact that constant price pressure from global competition makes passing along price increases very difficult and the result is a negative impact on the bottom line. One need only look at the earnings forecasts of such manufacturing stalwarts as 3M and GE to see the effects of higher prices.

Of course companies have for decades hedged their exposure to price volatility in commodities. Southwest Airlines Co. is well-known for its success in holding down costs by making the right bets on oil prices, giving it a big advantage over competitors as oil prices hit record highs. For food manufactures, the basic strategy calls for entering into long-term forward contracts for physical delivery with big grain suppliers such as Cargill Inc. or Archer-Daniels-Midland Co. Locally several Council of Industry members that are heavy users of natural gas, or who buy metals have become quite sophisticated in their buying and hedging strategies. Of course participants in the Council of Industry electricity aggregation also manage their exposure to price run-ups.

Late last month the Fed again lowered interest rates, but they also acknowledged in the strongest terms yet the high risk of inflation. The success of American manufactures – still the engine that drives our economy, depends on the Federal Reserve successfully negotiating the lower interest rate/cheap dollar vs. the higher commodity price/inflation risk conflict. It will be a delicate negotiation. Let's hope they succeed.

Welcome New Members:

Schreiner Medipharm - Pharmaceutical label printing. Contact: Eugene Dul. Rockland.

Sono-Tek - Ultra-sonic nozzles
Contact: Vin DeMaio. Ulster.

AMI Services, Inc. - Heating and air conditioning installation and service. Contact: Donna Beghin. Orange.

DHS Systems— Tactical soft wall shelter systems. Contact: Becki Gentry. Rockland.

Welcome New Associate Member:

DP Sales - Sales training and consulting. Contact: Debra Pearlman. Orange.

Training and Education

Whether speaking informally, making a formal presentation, leaving a voicemail, participating in a teleconference, writing a memo, report, email, fax or letter you are sending very important messages – some that you intend to and some that you may not.

Basics of Hydraulics

- Provides an understanding of basic hydraulics.
- Teaches how hydraulics work - hydraulic training on how common hydraulic components operate and interact with each other.
- Instructs your personnel about reading and understanding hydraulic schematics.
- Reviews preventative maintenance procedures.
- Discusses troubleshooting of hydraulic systems.
- Provides all participants with a course manual for future reference.

Who Should Attend?

- Maintenance Personnel • Equipment Operators • Purchasing Personnel • Plant Supervisors
- Anyone involved with the adjustment, maintenance, specification, or operation of hydraulic systems.

Date: April 10

Time: 9:00 am to 4:30 pm

Place: Dutchess Community College, Poughkeepsie, NY.

Cost: \$85 per person/ \$70 for two or more from the same company. Continental breakfast and lunch included.

Certificate in Manufacturing Leadership - High Performance Work Teams-

This course explores how to design a team that will get the best results with the most efficient methods. It will also include: strategies and skills for team planning, team motivating, managing performance and developing team members. Define the roles of team members, team building behaviors and the problem solving and decision making benefits of a team.

Date: April 16

Time: 9:00 am to 4:30 pm

Place: Dutchess County Community College, Poughkeepsie, NY.

Cost: \$185 per person/ \$160 for two or more from the same company. Continental breakfast and lunch included.

Building Business Communication Skills

In this course, participants will gain an understanding of the importance of good communication skill in the workplace. Whether speaking informally, making a formal presentation, leaving a voicemail, participating in a teleconference, writing a memo, report, email, fax or letter you are sending very important messages – some that you intend to and some that you may not. This class will explore the basic communication model, examine different styles of communicating, identify participants' primary communication style and develop an action plan to help participants improve their overall communications. This is a very practical class and participants will leave with ideas they can put to use immediately.

Date: April 22

Time: 9:00 am to 4:30 pm

Place: Rockland County Community College, Suffern, NY.

Cost: \$100 per person/ \$85 for two or more from the same company. Continental breakfast and lunch included.

Spanish Fundamentals of Leadership

See article on page 5 for details

Date: April 24, 25

Time: 9:00 am to 4:30 pm

Place: Dutchess County Community College, Poughkeepsie, NY.

Cost: \$320 per person/ \$300 for two or more from the same company. Continental breakfast and lunch included.

Certificate in Manufacturing Leadership - Legal Management Issues

The Legal Management Issues class identifies and explains key legal issues that a manager may have to address in the workplace today. It helps current and future managers realize their responsibility to understand and enforce the employment laws that speak to these issues which can minimize their chances of ending up in court. This Course will cover: employers' rights and obligations, employment laws, regulations governing business, hiring, performance, discipline issues and Affirmative Action.

Date: May 1

Time: 9:00 am to 4:30 pm

Place: Dutchess County Community College, Poughkeepsie, NY.

Cost: \$185 per person/ \$160 for two or more from the same company. Continental breakfast and lunch included.

Council News

Contractor Safety – What You Need to Know

The Environment, Health and Safety Sub-council met on March 21, to discuss contractor safety issues in the work place. The presenters were Jeffery Sotek from Council Member HRP Associates, Inc., an environmental/civil engineering and hydrology firm that also provides health and safety consulting, and Gary O'Bannon from member firm Balchem Products, who shared an outline of his contractor safety program. This provided the group with an excellent exchange of information and observations on ways of improving their contractor safety programs as well as what to look for as a contractor going into a worksite.



Mr. Sotek explained that a good contractor safety program is important because companies can't sign away EHS liability to a contractor. A good place to start is by taking a look at OSHA's CPL-02-00-124 multi-employer citation policy. You should incorporate EHS terminology into your agreements with the contractor. It is also important before hiring a contractor to review their experience modification rate, injury/illness rates, and benchmarks with other companies or agencies for the last three to five years.

You should hold an orientation meeting for the contractor and require the contractor to certify that worksite orientation was provided. After work begins there should be periodic performance reviews, and you should reserve the right to inspect the worksite at anytime. There should also be post performance reviews to include a final evaluation of the process.

Mr. O'Bannon's presentation began with the importance to maintain a file on frequently used contractors and include any information of incidences of safety issues in that file. He also explained that there should be a list of the contractor's employees to make sure there isn't a security risk to the site as well as letting all company employees know that there will be a contractor at the site and what the contractor is doing so that they are aware.

At the orientation for contractors it is important to go over specific site issues and any existing hazards or hazards being brought in to the site. It is also important to cover

alarms that are specific to each worksite. A follow up is recommended to check that housekeeping has been taken care of after the contractor is finished and is signed off on by the company.

In all those that attended came away with a more complete knowledge of what a good contractor safety program entails. The next EHS sub-council meeting is tentatively set for May 16th, we are setting up a tour of the I87 –I84 interchange project, which will include information on their LEEDS program, the grey water tank, and their co-generation project.

Doing Business in the Middle East – International Business Seminar

On Wednesday, April 23, the Council of Industry, State University at New Paltz and The US Dept. of Commerce/Westchester Export Assistance Center are proud to present the seminar Doing Business in the Middle East. The seminar will be held at The Terrace Restaurant at SUNY New Paltz from 5 -7:30 pm, and will include a networking buffet dinner following the presentations. . The speakers will be **Kam Shah**, Project Manager – Middle East/ North Africa Business Information Center, U.S. Department of Commerce (Washington, DC) and **Waleed El Zomor**, Deputy Consul for Economics and Commercial Affairs, Consulate of Egypt (New York, NY).

The economies of many Middle East and North African countries are transforming, offering tremendous opportunities for U.S. businesses with the right products, services, and connections. Educating oneself on the particularities of a market is very important. This is especially true in the Middle East where there is great diversity in terms of market size, commercial opportunities, and standards and regulations for doing business.

The seminar will cover tips on doing business in the Middle East (including cultural considerations), a regional overview, some information on current projects in the Middle East and a brief review of sample markets.

To register go to <http://www.buyusa.gov/westchester/middleeast.html>, or if you would like more information, contact Michael Grossman at (914)682-6712 or Michael.grossman@NOSPAM.mail.doc.gov.

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Personnel Matters

New Research Shows Major U.S. Tech Companies and Defense Firms Struggling to Fill Thousands of Job Openings

Stuart Anderson National Foundation for American Policy

Arlington, Va. – American businesses continue to experience difficulty in filling skilled positions in the United States, concludes a new study released today by the National Foundation for American Policy (NFAP), an Arlington, Va.-based policy research group. The study, “Talent Search: Job Openings and the Need For Skilled Labor in the U.S. Economy,” found that major U.S. technology companies today average more than 470 job openings for skilled positions in the United States while defense companies have more than 1,265 each. The first-of-its-kind analysis involved examining job postings for all companies in the Standard and Poor’s (S&P) 500.

In a second, complementary study also released today, “H-1B Visas and Job Creation,” NFAP examined H-1B filings and year-by-year job totals for the technology companies in the S&P 500 and found hiring skilled foreign nationals on H-1B visas is associated with increases in employment at U.S. technology companies.

In “H-1B Visas and Job Creation” the data show that for every H-1B position requested with the Department of Labor, U.S. technology companies increase their employment by five workers. For technology firms with fewer than 5,000 employees, each H-1B position requested in labor condition applications was associated with an increase of employment of 7.5 workers. This is particularly remarkable since the actual number of people hired on H-1B visas is likely to be much lower than the total number of applications filed with the Department of Labor.

“Combined these two studies show that U.S. employers continue to need skilled labor, including individuals not born in the United States who, the empirical evidence indicates, are creating new opportunities for U.S. workers,” said NFAP Executive Director Stuart Anderson. “While every H-1B hired may not necessarily lead to five to seven Americans being hired, the data does strongly imply, at minimum, that new H-1B professionals are complementing other U.S. hires, rather than displacing them, as critics allege.”

According to “Talent Search: Job Openings and the Need for Skilled Labor in the U.S. Economy,” a number of companies have thousands of skilled positions open, with this level of openings persisting for a year or more. This is part of a longer-term trend that threatens to

harm America’s economic future, with U.S. companies lacking access to the skilled professionals needed to grow and innovate inside the United States.

The NFAP study “H-1B Visas and Job Creation” used a regression model that controls for both general market conditions and firm size and found that there is a positive and statistically significant association between the number of positions requested in H-1B labor condition applications and the percentage change in total employment. The research also found that even employers that reduced employment reduced it less if they had filed for H-1Bs visas. Examining companies in the sample that had layoffs, the regression results found for every H-1B position requested on a labor condition application, total employment is estimated to be two workers more than it otherwise would have been.

An NFAP survey of 120 major U.S. technology companies, with a 22 percent response rate, indicates preventing companies from hiring foreign nationals by maintaining a low limit on H-1B visas is likely to produce the unintended consequence of pushing more work to other countries. Sixty-five percent of technology companies responding to the NFAP survey said in response to the lack of H-1B visas they had “hired more people (or outsourced work) outside the United States.” Fifty-two percent of companies believed that for every H-1B professional they hired it created one or more complementary jobs at their firms or in the U.S. economy. Twenty-two percent thought the hiring of an H-1B visa holder created 10 or more jobs. Seventy-four percent of company respondents said an inability to fill positions because of the lack of H-1B visas has potentially affected their “company’s competitiveness against foreign competitors or in international markets.”

“The research showing H-1B visa holders are associated with increased hiring at U.S. technology companies is further evidence that current restrictions on high skill immigration are counterproductive and the result of legislative inertia, rather than legitimate concerns,” said NFAP Executive Director Stuart Anderson. “The survey results indicate that when H-1B visa restrictions block cutting-edge companies from hiring foreign nationals in America companies are likely to place more of their human resources outside the United States.”

An NFAP survey of 120 major U.S. technology companies, with a 22 percent response rate, indicates preventing companies from hiring foreign nationals by maintaining a low limit on H-1B visas is likely to produce the unintended consequence of pushing more work to other countries.

More Personnel Matters

En Español Por Favor

Today's corporate landscape has changed to reflect the ethnic, linguistic and cultural diversity of our society at large. Now companies of all sizes spanning industries of all types are benefiting from the contributions of smart, dedicated, hard working men and women from around the world. If we look closer at the makeup of the workforce in the Hudson Valley, we have come to realize that a great percentage of the workforce today is Hispanic. They are fast becoming the primary group of production workers.

Many of these workers and their employers are faced daily with different challenges that include language barriers, lack of supervisory skills and cultural differences. Since for the most part English is the second language for these workers, we have taken a key class of our highly successful supervisory skill development program and will offer it in Spanish. We believe that providing training for the Hispanic workforce in their own language will attain maximum results and will to help them achieve better income opportunities in their organizations.

The Spanish Fundamentals of Leadership program will cover:

- Leadership Skill Development
- Job duties and supervisor responsibilities
- Self assessment, employee profiles, gender barriers & generational differences
- Tools and techniques for supervising different personalities
- Time Management – Prioritizing
- Project management
- Project assessment and evaluation
- Writing Skills

Why In Spanish?

It has been shown that people learn, understand and retain information best if it is taught to them in their native language by a bicultural trainer. The effectiveness of learning increases because participants can give their complete attention to content, without first needing to translate the material into a language with which they feel more comfortable. More important the participants feel more comfortable asking questions in their own language of someone who identifies with them and with whom they can identify as well. This benefits both the company and the employee. Using the native tongue also can preclude employees' confusion as to meaning and nuance; a number of seemingly insignificant semantic errors can quickly turn into a total misunderstanding of the intended message.

Spanish Fundamentals of Leadership

Tuesday, April 8, 2008 9:00 am - 4:30 pm

Location: Dutchess Community College, Poughkeepsie, NY

Cost: \$320 Single participant

\$300 Two or more from one company

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Consumer Price Index - Feb. 2008

			<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Feb.</u>	<u>Dec.</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	616.9	615.8	1.9	0.3	+3.9
1982-84= 100	207.3	206.74	0.5	0.3	+4.0
All Urban Consumers					
1967=100	631.0	629.2	2.0	0.3	+3.9
1982-84=100	211.7	211.08	0.5	0.3	+4.0
Hudson Valley Unemployment Rate for February 2008 = 4.8 %					

Legislative Matters

Paterson Starts Well, But Must Keep State Competitive

By Kenneth Adams is president & CEO of the Business Council of New York State.

Newly sworn-in Gov. David A. Paterson has inherited numerous legislative and fiscal challenges as New York's new chief executive, but none is more immediate — or more important to the state's economic well-being — than the state budget due on April 1. Paterson has a well-earned reputation as a thoughtful consensus builder, and New York State's business community looks forward to working closely with him in the fight to revitalize our economy, especially upstate.

We remain confident that New York can get back on the right fiscal track and we are encouraged by the governor's announcement on Tuesday of \$800 million in proposed spending cuts. Paterson is to be commended for taking this critically important step toward new budget discipline in New York and we urge him to not stop now in his reconsideration of an executive budget that had threatened to put our state's economy at a significant competitive disadvantage.

With a stagnant, if not recessionary national economy, at least 25 states are projecting budget deficits, and that number will surely grow. However, as they work up their budgets, many of these states are taking prudent but politically difficult steps to keep spending in line with falling revenues.

In New Jersey, for example, with a deficit of about \$3 billion, Gov. Jon Corzine proposes to cut state spending by half-a-billion dollars. Florida is working to trim spending by almost \$2 billion. In California, Gov. Arnold Schwarzenegger has called for a 10-percent, across-the-board cut in state spending.

In New York, meanwhile, where we are facing a \$4.6 billion deficit, the former governor actually proposed to increase spending by 5 percent. While Paterson's newly announced reductions would pare that increase to a more reasonable 3.7 percent — still above the rate of inflation — Tuesday's announcement did not address the proposed \$1.3 billion in new taxes and fees that would increase costs for New York businesses, large and small, at a time when they can least afford it.

To fund spending increases, the new budget hits up banks, energy producers and health insurance companies, among others. These tax and fee increases will no doubt be passed on to consumers — to small business owners, homeowners and just plain folk who turn on a light, see a doctor or use a bank. None of this is lost on the leaders of the global and innovation economy businesses whose jobs and investment we so badly need here in New York, particularly upstate.

It doesn't have to be this way. Paterson has already indicated a willingness to change course, and we urge him to reduce spending growth to the rate of inflation and eliminate these onerous new taxes and fees. We are presented with a historic opportunity to take steps toward a new budget discipline for New York, in which taxes and spending are balanced with a competitive and prosperous private-sector economy.



Newly sworn-in New York State Governor, David A. Paterson.

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In Case You Were Wondering Why There Is A Budget Crisis In New York....

The number of private sector jobs in New York State decreased by 6,800, or 0.1 percent, to 7,268,700 in February 2008, on a seasonally adjusted basis. The Manufacturing sector lost 15,800 jobs, the largest over-the-year drop among declining industries. Manufacturing job losses were mostly in non-durable goods. The over-the-year decline in non-durable goods employment (-9,800) was centered in chemical manufacturing (-3,800) and apparel manufacturing (-3,300). Employment losses in durable goods (-6,000) were centered in computer and electronic product manufacturing (-1,700) and transportation equipment manufacturing (-1,700). Employment also decreased over the year in natural resources and mining.

Industries With Job Gains included Educational & Health Services (39,900) and, of course, Government (12,300)

Member Profile

Member Profile: MPI, Inc.

Year founded: 1965

Location: Poughkeepsie, NY

Number of employees: 35

Principle product: Wax injection equipment for the investment casting industry

Website: www.mpi-systems.com

There are some manufacturing techniques that have been around for centuries; investment casting using the "lost wax" process has been around for millennia. It is a process that has produced fine bronze art work from the Shang Dynasty in China (1766 to 1122 B.C.), to gold jewelry by the Aztecs in Mexico, and aided numerous artisans who employed the process throughout the Renaissance period in Europe. To bring this process to the forefront of industry it took an over taxed machine tool industry in the United States during World War II, investment casting was able to provide a shortcut in manufacturing precision parts for arms and aircraft. The basic process has changed very little over the years, but the technology used to make this process more efficient and to increase its productivity has changed dramatically. MPI, Inc. has been leading the way by continually applying innovative techniques to their wax injection equipment that is at the heart of the investment casting process.

The process of investment casting has several steps, but is much simpler, faster and more precise than creating each product by hand. An artist creates the original pattern which can be quite intricate and detailed. A mold of this pattern is made and filled with wax. This is where it is important to be sure all the undercutting and fine detail is preserved. The wax pattern is then removed and dipped in plaster to create a smooth and highly accurate ceramic shell. The wax is then melted and removed from the shell and replaced with molten metal. The metal hardens and the shell is broken away to reveal the final product, an exact replica of the original pattern. MPI, Inc. produces the machines that control the wax injection process.

MPI, Inc. was founded in 1951 as Mueller Press, Bruce Phipps and his partner purchased the company in 1972. Eventually the partners had a difference of opinion. Mr. Phipps bought the company outright



in 1984. Mr. Phipps realized that the domestic market for this niche product was not large enough to support the growth of the company. He decided to expand his market beyond just North America and sell his wax injection equipment to the growing market overseas. The key to his success was in finding the right sales agent knowledgeable in the investment casting industry. MPI has sales agents in the United Kingdom, Europe, Israel, Japan, and China. The newest markets targeted India and Brazil. Each year Mr. Phipps does extensive traveling with his sales agents. The company is truly worldwide and actually has only three customers here in New York State. MPI services a very specific market and staying ahead of their competition is a full time endeavor. They accomplish this by providing world class service along with staying on the cutting edge of technology.



Jim Faulkner removing a completed wax assembly from an APAS machine.

The company's two engineering departments are busy keeping MPI a step ahead of the competition. The R&D department and product development department are constantly looking at ways to better control the wax injection process and capture data during the process. The latest machines produced by MPI are connected to the internet so that MPI technicians can trouble shoot problems even if the machine is half way around the world. MPI has also taken advantage of grant funding offered by NYSERDA to develop their Auto Pattern Assembly System (APAS). This system was able to help a customer company increase their productivity and efficiency to a point where enough gains were made that they were able to keep their plant here in the USA instead of having to relocate to China to reduce costs. This is beneficial to the entire manufacturing community. MPI, Inc. is applying for another grant to help them improve the productivity and efficiency of their machines even more.

Though an ancient technology, investment casting has come a long way from the Shang Dynasty days. In recent years MPI, Inc. has led the way in advancing this process and manufacturers across the globe who rely on parts created through this process are the beneficiaries. MPI stands out as a creative innovative and successful Hudson Valley company.

MPI services a very specific market and staying ahead of their competition is a full time endeavor. They accomplish this by providing world class service along with staying on the cutting edge of technology.

EHS Matters

The bottom line is that if your products are not properly Registered or the proper Notification, Communication or Authorization has not been completed you will not be able to market or sell your products in the EU.

REACH- The Devil Is In the Details

The scope of Registration, Evaluation and Authorization of Chemicals (REACH) is enormous, and will have impact on the entire European manufacturing industry as well as industries that export products to the EU. The bottom line is that if your products are not properly Registered or the proper Notification, Communication or Authorization has not been completed you will not be able to market or sell your products in the EU.

What is REACH? The aim of REACH is to improve the protection of human health and the environment by placing greater responsibility on industry to identify and manage the risks from chemicals and to provide safety information on the substances. REACH's basic elements include: Registration, Notification, or Communication of substances to ensure safe use; data sharing to reduce testing on animals; submission of information to downstream users; identification of particular uses of substances; and substances of very high concern will be subject to authorization and restrictions.

Who Does REACH Impact? If you or your customers produce or export chemical substances, preparations (mixture or solution composed of two or more substances) or articles (e.g. manufactured goods such as textiles, electronic chips, furniture, books, toys, kitchen equipment), to any of the 27 European Union (EU) Member States, you may be subject to REACH. It is important to note that radioactive material, hazardous waste, food and medicines are generally exempt from REACH since they are already regulated elsewhere.

What are the Requirements of REACH? REACH has very complex requirements that are dependent on the type of material (substance, preparation or article) being produced in or exported to the EU, the company's role with regard to the substance (Manufacturer, Importer or a Downstream User) and characteristics of the substance, preparation and article. Based on a determination of the above, a company may be subject to one or more of the following actions to ensure that they can continue to sell their product in the EU.

Pre-Registration - If you produce or export substances to the EU in quantities exceeding 1 ton per year you may be required to register the substance with the European Chemical Agency (ECA). In addition, articles may be subject to registration if substance is present in quantities over 1 ton per producer or importer per year; and the substance is intended to be released under normal or reasonably foreseeable conditions of use.

Substances and articles subject to registration must be pre-registered between June 1, 2008

and November 30, 2008 to take advantage of the extended registration deadlines noted below. As of January 2009, items not pre-registered cannot be marketed without a full registration.

Registration - Any substance not pre-registered by November 30, 2008, must be fully registered prior to being marketed in the EU. For all pre-registered substances, the following registration deadlines apply.

Dec 1, 2010 Manufacturers/exporters supplying substance > 1,000 tons per year, or carcinogenic/substances that alter human DNA or damage human fertility > 1 ton per year, or an R50-53 substance > 100 tons per year.

June 1, 2013 Manufacturers/importers supplying a substance between 100 and 1,000 tons per year.

June 1, 2018 Manufacturers/importers supplying a substance between 1 and 100 tons per year.

Notification - If any article contains a SVHC on the Candidate list in concentration above 0.1% and the total amount of the substance exported into the EU exceeds 1 ton then you have to notify the European Chemicals Agency and your customers (within six months of publication of the list of Substances of High Concerns - expected June 2009) on the safe use of the article, depending on the quantity of the substance used and whether exposure can be excluded. Consumers of articles can also request information about these substances

Communication- If the article contains a SVHC on the candidate list and the amount supplied to the EU exceeds 1 ton then the safe use and name of substance must be supplied to downstream users and general public within 45 days of request.

Authorization -In addition, certain very dangerous substances will require authorization before they can be used and restrictions may be placed on the use of certain substances.

Companies that manufacture or export products to the EU need to identify products manufacturer or sold within the EU, determine their composition, the company's role, the amount of substance exported to the EU. Based on the collected information a company can determine their responsibilities. If you have any questions regarding REACH please contact Thomas Seguljic P.E at HRP Associates 518-899-3011 x-202 or Tom.Seguljic@HRPAssociates.com. HRP assists companies with understanding their requirements under REACH, establishing programs to track compliance information and information requests as well as Registration, Notification and Communications needs.

CI Calendar—What’s Ahead

April 2	Certificate in Manufacturing Leadership: Effective Business Communication- 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$185 per person/\$160 for 2 or more.
April 10	Manufacturing Maintenance: Hydraulics – 9:00 am—4:30 pm at Dutchess County Community College, Poughkeepsie, NY. Cost \$85 per person, \$70 for two or more from the same company.
April 16	Certificate in Manufacturing Leadership: High Performance Work Teams - 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$185 per person/\$160 for 2 or more.
April 22	Building Business Communication Skills - 9:00am – 4:30pm at Rockland County Community College, Suffern, N.Y. Cost \$100 per person/\$85 for 2 or more.
April 23	International Business Seminar— Doing Business in the Middle East— 5:00am – 7:30pm at The Terrace Restaurant, SUNY New Paltz Campus, New Paltz, N.Y. Cost \$10 per person.
April 24,25	Spanish Fundamentals of Leadership- 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$320 per person/\$300 for 2 or more.
May 1	Certificate In Manufacturing Leadership: Legal Management Issues- 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$185 per person/\$160 for 2 or more.

For consumers of energy the only real opportunities lie in longer-term deals. There is a benefit of "backward-tion" that is contracts farther out are cheaper than those closer to us. It is clear that volatility will remain high.

Energy Matters

Natural Gas Prices Continue their Climb

Natural gas futures, a key cost for manufacturers and a leading indicator of the direction of electricity prices in New York State, are up 29% over the past 12 months.

Gas futures have been swept up in the commodities boom of late as investors poured money into oil, gas and gold, among other "hard" assets, believed to be a safer bet than equities amid the credit crunch. Last month, as financial markets reeled from the fallout at Bear Stearns & Cos. , traders sold off gas futures, pushing prices down to \$8.80, but that dip was short lived.

Analyst Kyle Cooper, director of research with IAF Advisors in Houston said the market is reacting strictly to supply and demand. With cooler temperatures persisting, the market had to run higher. "We're too cheap relative to oil and worldwide natural gas markets thus continuing to support the notion that LNG imports into the U.S. will continue to be low," he said.

The weather continues to pressure inventory levels as we approach the injection season. Storage is now expected to end the season below the 5-yr. average and significantly below last year's level. For consumers of energy the only real opportunities lie in longer-term deals. There is a benefit of "backwardation" that is contracts farther out are cheaper than those closer to us. It is clear that volatility will remain high.

What does it all mean? In the near term prices for natural gas and electricity will remain high. Opportunities lie in longer term contracts 2 years or more, for gas and for electricity.

Manufacturers Electricity Aggregation
An Opportunity to Manage Your Electricity Costs

845-897-3661
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What's Next After I Attend the Lean Seminar

By Arnold Most, MOST Business Improvement Solutions mostbis@aol.com,

In my last article on Empowered teams I mentioned certain lean tools a team could use to improve their business performance and move their business toward a lean culture. The tool I will discuss in this article is setup reduction or sometimes called quick changeover or may be referred to as SMED (single minute exchange of die).

Do you have a very expensive tool in your business that takes multiple hours to changeover from producing one part versus another? Is this tool also your limiting or bottleneck tool that prevents you from producing more? Do you have a process that is the bottleneck operation in your factory and if you could just get a few more hours of operation out of this process per week you could increase your output and deliver to your customers on time?

Setup reduction may be the tool to try to achieve more output from these tools or processes. Before I begin I need to define some terms I have been using. What is setup? Setup is the time measured from when you stop producing good part A and begin producing good part B. Let's discuss an example.

I am working in a plastic injection molding factory. I have been producing on one of my machines a part for customer A. I finish producing the quantity that the customer ordered and I have a new part to produce for a new customer B. The new part requires I change the die and use different material. The setup clock begins when I stop producing the parts for customer A and then I change the dies, change the materials, produce some trial parts, adjust the machine, produce some more trial parts, have the samples inspected by QC and get a report that they are good. The clock now stops for the setup and you can now measure how long the setup process took.

All the time from when the parts for customer A stopped being produced to the time we produced a good part for customer B is setup time. At one of my clients we were videoing the setup operation and the machine was ready to start producing, but we didn't. When I inquired why we didn't start producing I was told the production order paper work had not been sent to manufacturing from Production Control. The setup clock kept running until that paperwork was delivered. In another case the machine was ready but QC hadn't approved the parts. The setup clock kept running and the machine remained idle until the parts were determined to be good.

If these scenarios sounds familiar for your operation then you may be able to find the extra capacity you may need by using the setup reduction technique I am going to describe in this article.

Setup reduction starts with a good understanding of how the setup is done currently. You need to observe the current setup carefully enough to flow chart all the steps along with the time each step takes. I recommend you video the operation. The video will show all the steps along with the time each step took.

Next after you have completed the flow chart determine which step is an internal time and which is an external. Internal steps are the ones that the machine must be shut down to complete. For example removing the die would be an internal step. All other steps can be external. You need to code in the actual setup flow chart each step as either an internal or an external step.

In most of the companies I have worked with just about all the steps initially are coded as internal. The thought process is to shut the machine down and then start doing the setup. The SMED approach starts to change that thought process. The SMED process questions what steps can be done before the machine is shutdown and what cleanup steps after the machine is turned back on. The process of analyzing the steps is best accomplished by an empowered team of employees. This team should be made up people familiar with the setup process as well as employees that can bring a fresh look at the operation. The consultant acts as the teacher and coach as the team works their way through the SMED process.

Once the team has isolated all the steps that need to be done while the machine is shut down, they will then work on minimizing those steps. It may involve some machine design. It may involve new jigs and fixtures. It may involve changing work assignments. This is the creative process that can save a company considerable time and money.

The final step is to work on the external operations. Minimizing these steps aren't as rewarding as minimizing the internal steps but the company still will find labor and possible material savings while working on this part of the SMED process.

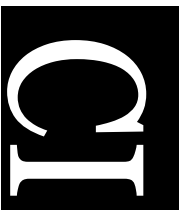
It is a good idea to video the final improved setup operation. This video can be used as a training tool to assure that all employees use this new improved process.

I have seen companies reduce their setup time on critical tools from 4hours to 30 minutes. This SMED process works in all industries. I have personally helped metal stamping, foundry, and assembly operations with this process. It is applicable wherever a process or tool needs to be changed from one part or customer to another.

In your lean tool chest SMED can be a powerful procedure to improve your productivity and increase your output. If you need more information or help please contact me for a no charge consultation visit.

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