

CI NEWSLETTER

The Council of Industry of Southeastern New York

June 2008

The Manufacturers Association of the Hudson Valley

Volume 12 Issue 6

135, 12, 130 What Do These Numbers Mean to Hudson Valley Manufacturers?

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These three seemingly innocuous numbers are wreaking havoc on the bottom line of Hudson Valley manufacturing firms.

135 – The price of a barrel of oil for July delivery. The price one year ago - \$65.00.

12 – The price of natural gas per MMBtu for July delivery. The price one year ago - \$8.40.

130 – the price per megawatt of electricity in NYISO Zone G. The price one year ago – \$70.85.

Obviously these numbers affect everyone and every industry. Anyone who drives a car, heats a home, uses an appliance or even buys food feels the impact of higher energy costs. Manufacturers, however, are particularly hard hit by increases in energy costs.

One reason is that energy is used in the process of manufacturing. Whether machining a part and a CNC tool, cooking a batch of apple pie filling, keeping a clean room cool and clean or firing ferrite parts, energy is applied. Some Council members have electricity and natural gas bills in the millions of dollars. A second reason is that many manufacturers require raw materials made from petroleum based products. That plastic dosage cup and rubber gasket are extruded from raw materials made from petroleum and therefore directly related to the cost of oil. A third reason is that manufacturing facilities tend to be large spaces requiring a great deal of energy to heat and to cool.

With typical resourcefulness Council members are dealing with this situation as best they can. Schedule have been shifted to reduce electricity demand at peak times. More efficient lighting and motors have been installed to reduce consumption. More proactive buying strategies like the Council's electricity aggregation is another tool. (Most aggregation members are paying \$99.99 per megawatt for 2009 as opposed to the \$113.00 NYISO price.)

Realistically however, these practices can only go so far. Conservation can only go so far. Renewables can only go so far. Right now we have limited supply and a growing demand for energy. That equals higher prices. To a certain extent higher prices will slow demand, but by all accounts it would only slow it, not reduce it. The other side of the equation therefore is supply. Will we increase the supply of energy by building new generation, expanding exploration and drilling? Perhaps, but the political climate in both Washington and Albany does not seem right for such changes.

Manufacturing Champions Award Breakfast

The Officers and Directors of the Council of Industry of Southeastern New York will honor two deserving individuals who through vision, dedication, hard work and tireless involvement have helped manufacturers in the Hudson Valley.

Please join us for breakfast on the morning of *Friday, June 6th* at the Powelton Club in Newburgh NY, to honor:

New York State Senator William Larkin, who continues a long and distinguished career in the New York State Legislature. He is a vigilant supporter of a pro-growth agenda and has a long record of accomplishments in support of small business and manufacturers.

&

Mr. Roger Smith, the past President of the Pawling Corporation has been a great supporter of the Council of Industry and is a past President of its Board of Directors. Under his leadership the Pawling Corporation has grown to become one of the most successful and admired companies in the Greater Hudson Valley region.

Date: Friday, June 6th

Time: 7:30 -10:30 am

Place: The Powelton Club, Newburgh, NY

Cost: \$30 per person, \$215 for a table of 8

For more info go to www.councilofindustry.org or call (845) 565-1355.

Save the Date

**Monday, August 25,
The Council of Industry's
Annual Golf Outing.
Beginning at noon at the
Powelton Club in
Newburgh, NY.**

Sponsorship opportunities are available, contact Harold King at (845) 565- 1355 or hking@councilofindustry.org for more information.



Training and Education

Fall Training Preview

Beginning in September, the Council of Industry will offer Customer Service and Sales Training and Technical Refresher Training. Below are brief descriptions of the courses. More detailed information with dates and times will be in next month's newsletter.

Customer Service and Sales Training – These are a mix of full and half day courses presented by Debra Pearlman, DP Sales Pro, tailored to the Manufacturing Industry.

How to Handle Difficult orirate Customers - In this workshop — for customer service reps, inside sales agents, outside sales reps, customer service managers and supervisors— learn several techniques and tips for effectively and successfully dealing with customers.

Empathetic and Effective Listening Skills -According to communications specialists, approximately 10% of our communication is through our words. The way in which we say our message accounts for approximately 30% of our communication. 60% percent of our communication is transmitted through our body language. Empathetic listening is powerful because it gives you the most accurate data with which to work.

Taking Your Customer Service & Sales Cycles For a Spin - This full-day workshop focuses on prospecting; customer modeling; cold vs. warm calling; how to ask for referrals; selling over the phone; up-selling and cross-selling; overcoming objections; developing phone scripting; negotiating for the close; and much more. Additionally, participants will uncover skills and develop techniques for increasing customer satisfaction levels throughout each step.

Attributes of a Critical Thinker - Individuals will learn how to use sound criteria and standards to improve the quality of their decisions. A critically thinking customer service rep or sales agent will think out of the box and offer alternatives to meet the needs of the customer without forfeiting quality, price or service.

Completely Outstanding Customer Service - The final workshop in this series puts all the pieces together from the previous workshops, and lays the groundwork for building a strong foundation.

Regulatory Refresher Training - These are full day courses.

RCRA HAZARDOUS WASTE TRAINING –Federal and State regulation require that individuals at facilities classified as Large Quantity Generators of hazardous waste (>1,000 kg/month) involved with the management and handling of hazardous waste (i.e. label drums, transport, etc.) must receive RCRA hazardous waste training on an annual basis. **Presented by HRP Associates, Inc.**

BLOOD BORNE PATHOGENS - The content of Blood borne Pathogens will include: An accessible copy and explanation of OSHA's §1910.1030. A general explanation of the epidemiology and symptoms of blood borne diseases; the modes of transmission of blood borne pathogens; the written exposure control plan and how to get a copy; how to recognize events that may involve exposure to blood and other potentially infectious materials; selection, proper use, location, removal, handling, decontamination, and disposal of personal protective equipment; the use and limitations of safe work practices, engineering controls, and personal protective equipment. Also the course would include information on hepatitis B vaccination, such as safety, benefits, efficacy, and availability; the procedures to follow if an exposure occurs, including methods of reporting and the medical follow-up that will be made available; information on post exposure evaluation and follow up; and an explanation of information on the warning signs, labels, and color coding. **Presented by Kleinfelder.**

DOT HAZARDOUS MATERIALS TRAINING -DOT regulation 49 CFR 172.700 requires that all "hazmat employees" be trained or re-trained every 3 years. "Hazmat employees" include anyone who labels, marks, loads/unloads, prepares shipping papers or transports hazardous materials by road, water, rail or air. **Presented by HRP Associates, Inc.**

HAZWOPER - The training will consist of four hours of classroom sessions including presentations, question and answer and video presentations, as well as four hours of hands-on training. **Presented by HRP Associates, Inc.**

A critically thinking customer service rep or sales agent will think out of the box and offer alternatives to meet the needs of the customer without forfeiting quality, price or service.

Council News

The Green Patch at the Interchange

Despite the pouring rain, the EHS Sub-council was still able to tour the LEED (Leadership in Energy and Environmental Design) certified buildings at the I87-I84 Interchange site in Newburgh, NY. This fascinating tour was made possible by Mr. Herb Litts, New York State Thruway Authority (NYSTA) Division Engineer and long time friend of the Council of Industry.



Mr. Herb Litts, New York State Thruway Authority (NYSTA) Division Engineer, gives an overview of the Interchange project before beginning the tour.

The focus of the tour was the LEED or “green building” aspects of the support facilities for the interchange. The construction project included the relocation and building of a consolidated maintenance facility, a State Police building, a toll utility building and a fueling station for Thruway Authority vehicles that use Compressed Natural Gas (CNG). The LEED features emphasized the latest technologies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.



Council of Industry members enjoyed the tour of the Interchange despite the rain.

We began in the building that will house the offices of various departments within the NYSTA. The building was designed so that the actual offices are along the south side of the site to allow as much ambient light as possible through an entirely glass outside wall. This wall is also fitted with sunshades to prevent overheating in the warmer months. Inside the light fixtures only go on when someone enters, or is in a room, and shut off when the room is empty. The lights are also set up to supplement the natural light from the wall of windows. The brighter the daylight outside, the dimmer the inside lighting thus reducing the unnecessary draw on electricity. The hallways also have skylights to make use of natural lighting. A courtyard was incorporated into the design to maximize the use of natural light.

We were able to tour a co-generational gas

turbine power plant which will provide the majority of the electricity to the facilities. The system uses the latest technology to heat and cool water for the facilities using a minimal amount of energy.



Cisterns to collect rain water sit atop the co-generational gas turbine plant as part of the “green” building efforts of the Thruway Authority.

The water itself comes from cisterns that collect the rain water and the water is recycled after being used to remove any pollutants. The air inside the buildings is recycled as well. The buildings themselves were constructed from low pollutant emitting materials. The Maintenance building received a LEED Certification of silver for its extensive incorporation of environmentally responsible materials and features.

The Thruway Authority has set a great example of “Leadership in Energy and Environmental Design” in the construction of these buildings. The Council of Industry members that attended this tour certainly came away full of ideas of what is possible. It will be interesting to see what actual energy savings are realized as the site becomes fully functional in Spring 2009.

The Office: Workshop on Labor and Employment Law Issues

This workshop is based on the NBC hit series “The Office” and the outrageous, yet instructive scenarios that come up on the show. Join Richard Landau from Jackson Lewis LLP, to review the labor and employment law blunders made by the Dunder Mifflin Company’s Scranton, PA office.

Date: Friday, June 20

Time: 8:00 -11:00 am

Place: Council of Industry Office, The Desmond Campus, Newburgh, NY

Cost: \$15 per person

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

The LEED features emphasized the latest technologies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

Personnel Matters

Developing Your Latino Workforce

By Lauren Supraner, CAL Learning

How well do you communicate with your foreign-born workers? Do they understand what you expect of them, and do you understand what they expect of you? A manager of a diverse workforce must constantly and actively be open to learning about other cultures in order to become a more effective manager. The culturally competent manager must have an awareness of differing ideas about business culture, workplace behaviors, as well as preferred work environments and leadership styles.

American managers working with Latino employees may find themselves differing on key ideas about workplace culture. Clearly, not all members of any group will behave in the same way. But the manager who can recognize cultural patterns and communication styles will be better able to cultivate and develop employees, while avoiding cross cultural conflict in the workplace. **Below are 3 examples of differences in American and Latin cultures that may lead to miscommunication and workplace conflict.**

Concepts Of Time

American business culture highly values time. One is judged on how one spends and saves time. Punctuality, pace of performance, adherence to schedules and deadlines are all taken seriously. Latin culture is much more relaxed about and flexible with time than American culture.

Americans view time as linear, progressive and limited. Events have a starting time and ending time. Because of this, punctuality is very important. Meetings start on time, whether you're there yet or not. For Americans, time controls the event.

For Latinos, the event controls time. Personal interactions are valued over schedules. Things are dealt with in a more integrated and less linear fashion, and many activities can be going on at one time. Interruptions are normal, welcomed and expected. In the workplace, differences in concepts of time can be very problematic, and should be dealt with directly and immediately.

Nonverbal Communication

While 97% of communication is in tone and body language, most people don't consider

nonverbal communication when they think of cross cultural conflict. Most Americans prefer "personal space" and usually leave about 1 ½ to 2 feet between each other when speaking. Americans are also "low touch." They may shake hands but usually don't kiss. Latin culture is "high touch." People may kiss on the cheek, touch during conversation, put a hand on your shoulder to offer comfort, and stand closer than many Americans would do or feel comfortable with. Although offered with the best intentions, this "high touch" behavior in the workplace might be seen as overly friendly, overly physical, inappropriate, and in some cases considered sexual harassment.

Preferred Leadership Style

The National Community for Latino Leadership, Inc. (NCLL) identified 20 leadership qualities most desired by Latinos. These qualities, they found, could be grouped into four general leadership traits: Character, Competence, Compassion, and Community Service. The study found that both Latinos and non-Latinos valued character and competence, but that only Latinos emphasized compassion, caring, and community service as qualities they want to see in leaders. Working with a Latino staff, an American manager must consider these preferred leadership traits and perhaps adjust his style accordingly to get the best from his workers. A manager who focuses solely on the bottom line may not get the same commitment from staff as one who seeks to build relationships and show compassion.

Cross cultural understanding goes both ways. Managers and employees need to understand each other's ideas about work and the workplace. American managers can learn about their staff's cultures by becoming keen, non-judgmental listeners and observers. They must also take the time to explain American workplace culture and expected behaviors, as well as potential consequences for not adhering to cultural expectations. Providing training in workplace culture will not only help foreign-born employees understand and adapt, but will help them advance in their careers as well. Employees trained in the hows and whys of American workplace culture are more likely to make real changes than those who are simply told to change by their boss.

The culturally competent manager must have an awareness of differing ideas about business culture, workplace behaviors, as well as preferred work environments and leadership styles.

Lauren Supraner is the president of CAL Learning, an intercultural communication and language training company based in Monroe, NY. You can contact her at lsupraner@callearning.com.

More Personnel Matters

10 Tips For Successful Carpooling

From commuterpage.com

With the ever increasing cost of fuel, just getting to work and home again is eating up a larger share of everyone's paycheck. One solution is to create a carpool. By assisting in organizing a carpool within your company, you can increase employee morale by reducing the stress associated with getting to work. Below are a few tips to help organize a carpool within your neighborhood or company.



1. Determine your route and schedule. Establish the morning pickup point(s) and designate a place(s) to meet for the trip home.

2. Draw up a schedule for driving responsibilities. If all members of your carpool alternate driving, decide among yourselves if you want to alternate on a daily, weekly, or monthly basis.

3. Establish a method for reimbursing driving expenses. If all members of your carpool do not share the driving equally, come to an understanding of how the costs will be shared and agree on payment dates.

4. Be punctual. Decide how long the driver is expected to wait. When home pickups are utilized, do not disturb everyone in the neighborhood by honking if a rider is running a few minutes late.

5. Establish policies. Smoking or nonsmoking; music and volume; food and drinks. Your carpool will have a better chance of success if possible irritants are discussed initially.

6. Make carpooling service on purpose. If it is for commuting to and from work, do not let it become a shopping or errand service.

7. Establish a chain of communication. If a driver is ill, or will not be going to work one day, an alternate driver should be notified to ensure that other members of the carpool will have a ride. If a member is ill or will not be working, the driver must be contacted as soon as possible.

8. Drive carefully and keep the vehicle in good repair. This includes keeping the vehicle clean and safe. There are others involved. There should be no excuse for excessive speed, use of alcohol, or reckless maneuvers.

9. Respect your fellow carpooler's wishes, especially in the morning when some people like a time of quiet.

10. Get to know your fellow carpoolers. Carpoolers who don't know each other sometimes feel more comfortable meeting prospective carpool partners before they drive together for the first time. Plan to talk on the phone or meet at a public place to discuss carpool specifics and decide whether or not you would feel comfortable sharing a ride. If you still feel uncomfortable after meeting, you can simply choose not to pursue the rideshare arrangement. You are not obligated to carpool.

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Consumer Price Index - March 2008

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Apr. '07</u>	<u>Apr.</u>	<u>Mar.</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	602.1	627.6	623.0	4.6	0.7	+4.2
1982-84= 100	202.1	210.7	209.1	1.6	0.8	+4.3
All Urban Consumers						
1967=100	619.1	643.8	639.7	4.1	0.6	+4.0
1982-84=100	206.7	214.8	213.5	1.3	0.6	+3.9

Hudson Valley Unemployment Rate for April 2008 = 4.1%



Legislative Matters

While the nation's manufacturing community remains dedicated to promoting and implementing greater environmental sustainability, the proposed legislation, if passed in its current format, could potentially do more economic harm than environmental good, particularly in the nation's manufacturing sector.

State Alert: Family Leave Legislation Remains Active

With five weeks remaining the State legislative session, significant legislation is being debated concerning family medical leave. If passed, this legislation would allow workers to take up to twelve weeks of paid disability leave. Additionally, workers could take up to seven days of paid leave for each death in the family, 10 days of paid leave annually for school visits, and seven days of paid leave annually to assist sick family members. The cost of providing paid leave will be incurred by employers, decreasing profits, capital investments, productivity and the like. The burden of both recordkeeping and fraud would also be immense as much of this paid leave can be taken in partial days. The Council of Industry and MACNY, alongside with Unshackle Upstate, are also concerned that a paid family leave mandate will stifle any type of employment gains that our State is in need of, and that this measure sends the wrong message for potential business owners looking to relocate to New York by adding one more onerous piece of red tape businesses are forced to adhere to. The Council of Industry and MACNY are planning an extensive member lobbying effort to urge Albany to oppose this legislation in its current format. Stay tuned for how your businesses can help us in our efforts.

Federal Alert: America's Climate Security Expected to be Debated in June

In the first week of June, the Senate is expected to begin debating S.2191, the America's Climate Security Act of 2007, sponsored by Senators Joseph Lieberman (I-CT) and John Warner (R-VA). S. 2191 calls for a limit, or cap, on carbon dioxide emissions from fossil fuel use, requiring that emissions decline to 15 percent below 2005 levels by 2020. While the nation's manufacturing community remains dedicated to promoting and implementing greater environmental sustainability, the proposed legislation, if passed in its current format, could potentially do more economic harm than environmental good, particularly in the nation's manufacturing sector. If this legislation is passed into law, it could lead to significant job losses, electricity price increases, gasoline price increases and a loss of household income. The Council of Industry and MACNY believe Members of Congress should oppose S.2191 in its current format. The Council of Industry and MACNY will be actively lobbying against this legislation, and asking members to get involved in our efforts as well, upon Congressional debate of S.2191. For more information on this important issue, please visit the National Association of Manufacturers website, at www.nam.org.

Federal Alert: Employee Free Choice Act Could be Reintroduced this Congressional Session

As many of our members may recall, The Council of Industry and MACNY were actively involved in the last Congressional session opposing the Employee Free Choice Act, or EFCA. Through a card check process, the EFCA, if passed, would take power from America's working people and give it to union bosses. For decades, employees have had the right to a private ballot election overseen by the National Labor Relations Board (NLRB) to determine whether to certify union representation. The NLRB, an independent government agency, ensures a fair election, free of fraud, where employees may cast their vote confidentially without peer pressure or bullying tactics from unions or employers. However, union bosses find secret ballot elections an impediment to unionization. They prefer "card check" elections, where employees are forced to cast their vote in front of union organizers and fellow employees who support unionization. Last year, the House passed the EFCA, but fortunately, was voted down in the Senate. However, we believe there is a strong possibility the EFCA could be reintroduced in Congress this year. It is essential members of Congress understand the negative impact this Bill would have on our businesses. Please contact your elected officials and let them know you oppose the EFCA, and urge them to do the same.

By Karen Burns, Director of Communications and Government Relations MACNY and The Council of Industry

Newsletter Sponsored By



Member Profile

Member Profile: Bell Flavors & Fragrances

Year founded: 1912

Location: Middletown, NY

Number of employees: 45

Council member since: 1995

Principle product: Customized flavors and fragrances and botanical extracts

Website: www.bellff.com

How often have you caught a whiff of scent, say for example freshly cut grass, and your mind wanders to a memory of an early summer day from your childhood? Studies have shown there is a strong connection between man's olfactory sensor (his nose) and specific parts of the brain. Certain scents can trigger memories and even specific behaviors, hence the entire study of aroma therapy.

At the Hudson Valley location of Bell Flavors & Fragrances there are a plethora of scents to send you down memory lane.

Bell started out in 1912 as the William M. Bell Company, in Chicago, Illinois. Mr. Bell started out as a confections flavor chemist, selling his creative flavors to local ice cream parlors and soda pop shops. By 1930 Mr. Bell's flavors were so popular that he expanded his operation. Bell was one of the first companies able to incorporate flavors into the new dairy product of the time "whey", giving the first caramels and marshmallows produced in the US their flavor.

In 1967, Edward Heinz bought the William M. Bell Company just prior to the death of Mr. Bell. It was shortly after this in 1976, that the company expanded to include fragrances as well through the acquisition of Maumee Flavors and Fragrances, a division of Sherwin Willams Company.

Throughout the 1980's the Bell Com-



pany flourished and grew. In 1981 it was renamed Bell Flavor & Fragrances. The company was expanding and relocated to larger facilities in Illinois twice during this time. In 1983 Bell acquired Synfleur, Nestle's Flavor and Fragrance division, in Monticello, NY adding two more manufacturing plants to the company.

By 1994, Bell had already privatized the operations of Schimmel & Company in Leipzig, Germany, one of the largest, most modern production plants in Europe. This German facility houses the Schimmel Library, the oldest chemical library in the world. At this time, the Monticello, NY plant had out grown its facilities so Bell purchased the 100,000 square foot former PFW-Hercules modern manufacturing plant in Middletown, NY. This facility also serves as a distribution center for the fragrance production plant in Germany.

The Middletown facility specializes in fragrances and botanical extracts for the health and beauty aid industry and for air fresheners and candles. According to Norman J. Appel, Vice President of Bell Flavors & Fragrances, the botanical extracts are really "hot" in the beauty industry right now and Bell is one of the few companies that produce them.



Bell also is constantly working on new technology for fragrance delivery systems. The scent can be encapsulated and released at a certain temperature or moisture or pH level. These are the latest technologies in an age old industry.

It has been a long deliciously fragrant trip since William Bell started producing his flavors back in 1912. There are currently Bell manufacturing facilities across the globe, not only in the US and Germany, but in Canada, Mexico and most recently in China as well. Throughout the years, the creativity and dedication of the Heinz family has helped to bring Bell Flavors & Fragrances the sweet smell and taste of success.

The Middletown facility specializes in fragrances and botanical extracts for the health and beauty aid industry and for air fresheners and candles.

EHS Matters

The Senate is expected to take up the Lieberman-Warner Climate Security Act during the first week of June, and "consider rules intended to slash greenhouse gas emissions and wean the economy from its addiction to fossil fuels."

Studies Raise Questions About Climate Security Act

From Manufacturing Economy Daily

The [San Jose Mercury News](#) (5/20, Davies) reports, "Boosted by all three presidential candidates, an ambitious plan to combat global warming is about to take center stage for the first time in Congress." The Senate is expected to take up the Lieberman-Warner Climate Security Act during the first week of June, and "consider rules intended to slash greenhouse gas emissions and wean the economy from its addiction to fossil fuels." The bill is seen as a boon to Silicon Valley, as "\$1 billion was invested in clean energy technologies in the valley" in 2007, "and investors are looking for a sea change in government policy to crank up the progress." However, "opponents of the bill, including many utilities, manufacturers and the coal industry, say the emissions limits will result in higher energy costs for consumers and businesses." In fact, Keith McCoy, vice president of energy and resources policy for the National Association of Manufacturers, said, "This legislation will have a devastating impact on our economy." An Energy Information Administration (EIA) study recently found that, under the legislation, "the average annual household energy bill [could increase] by anywhere from \$30 to \$325 by 2020."

A new American Petroleum Institute analysis of a pending Senate climate change bill confirms similar findings of the National Association of Manufacturers and the Energy Information Administration, according to McCoy. McCoy said the API findings echo those of the NAM in a study by the American Council for Capital Formation released last month. "Our study found that our Gross Domestic Product would decline from \$151 billion to \$210 billion by 2020, and from \$631 billion to \$669 billion by 2030," McCoy said. "We would lose up to 1.8 million jobs by 2020 and 3 to 4 million by 2020."

"Any way you look at it, Lieberman-Warner will result in major disruptions of our economy, soaring energy prices and millions of lost jobs," McCoy said. "The urge to do something without a thorough and thoughtful analysis must be resisted. We need to take a deep breath and begin a serious discussion of the best ways to address this challenge without sacrificing our economy."

[The Hill](#) (5/20, Snyder) focuses on the EIA's and other studies which have found that the Climate Security Act "could push fuel costs even higher." A study by the National Petrochemical and Refiners Association (NPRA) found that the bill "would raise pump prices by around 48 cents (in 2007 currency) by 2030." Likewise, recent studies by the "National Association of Manufacturers, National Mining Association, Congressional Budget Office, Congressional Research Service, Environmental Protection Agency, and Environmental Defense Fund have all examined the potential costs."

Margo Thorning, senior vice president and chief economist of the American Council for Capital Formation (ACCF), highlights the NAM-ACCF study in an op-ed for [MarketWatch](#) (5/20). She writes that the NAM-ACCF study "recently found that the Lieberman-Warner bill would reduce GDP by about one percent in 2014 as by as much as 2.7 percent in 2030 and employment would be as much as four million jobs lower."

Sen. Joe Lieberman (D-Conn.), however, wrote in an op-ed in Connecticut's [Hartford Courant](#) (5/19) that the Climate Security Act "puts the U.S. on a trajectory to help the world avert the catastrophic effects of unchecked global warming." The act would direct investment into clean technologies, putting "hundreds of billions of dollars into the development of cellulosic biofuels, clean coal, nuclear power, electric vehicles, hybrid and plug-in electric cars, fuel cell vehicles, and advanced diesel." The measure "also directs billions of dollars to mass transit, to give more consumers a choice of how they get to work and further reduce our use of foreign oil."

CI Calendar—What's Ahead

June 6	<u>Manufacturing Champion Award Breakfast</u> - 7:30am at The Powelton Club, Newburgh, N.Y. Cost \$30 per person or \$215 for a table of eight.
June 18	<u>Certificate in Manufacturing Leadership Candidates/Board of Directors BBQ</u> - 4:30- 6:30 pm, at the Council of Industry Office, The Desmond Campus, Newburgh, N.Y.
June 20	<u>The Office: Workshop on Labor and Employment Law Issues</u> - 8:00am - 11:00am at the Council of Industry Office, The Desmond Campus, Newburgh, N.Y. Cost \$15 per person.
August 25	<u>Council of Industry Golf Outing</u> - 12:00 Lunch, 1:00 Shotgun start at The Powelton Club, Newburgh, N.Y. Cost \$135 per person or \$510 for a foursome.

Energy Matters

NAM, EPA Partner to Provide Energy Savings Tools to Manufacturers

(Washington, D.C. - April 21, 2008) In a landmark agreement, the National Association of Manufacturers (NAM) and the EPA announced they have signed a memorandum of understanding to help improve the energy efficiency of U.S. manufacturers. This first-ever agreement between EPA and NAM, the nation's oldest and largest industrial trade association, is an important step toward saving energy in the industrial sector, which uses a third of the energy in the U.S..

"By making smart energy choices, U.S. manufacturers are helping improve our nation's energy and environmental outlook," said EPA Administrator Stephen L. Johnson.

"This new partnership with EPA leverages the unique strength of U.S. manufacturers as the world's leaders in energy efficiency and innovative green technology," NAM President and CEO John Engler said. "Energy efficiency is critical to a clean environment and to energy security. Building upon U.S. manufacturers' leadership in this area makes good economic and business sense."

Under the agreement that expands EPA's ongoing work with the manufacturing sector, NAM will challenge its 14,000 member companies to reduce energy use by 10 percent or more in cooperation with EPA's ENERGY STAR Challenge. EPA estimates if the manufacturing industry reduced its energy use by 10 percent, manufacturers would save nearly \$10.4 billion and enough energy to power nearly 10 million American homes for one year.

EPA will support all manufacturers in developing and refining company-wide energy management programs, share best energy management practices, provide training, and recognize the energy efficiency achievements of U>S> Manufacturers. The EnergyStar website www.energystar.gov/industry has many resources for securing and sustaining long-term energy savings.

What does it all mean? Higher prices are here to stay in New York. I hear they are lower in Mexico and China though. Perhaps if enough New York manufacturers move overseas demand will reduce enough to lower the prices here. That seems to be the goal our current energy policy.

Manufacturers Electricity Aggregation An Opportunity to Manage Your Electricity Costs

845-897-3661
845-565-1355



"By making smart energy choices, U.S. manufacturers are helping improve our nation's energy and environmental outlook." said EPA Administrator Stephen L. Johnson.



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Manufacturing Matters

New York Unplugged? Building Energy Capacity and Curbing Energy Rates in the Empire State

By Max Schulz Senior—Fellow Manhattan Institute for Policy Research

Energy prices are a major factor in New York's high cost of living and doing business, contributing to what Governor Eliot Spitzer has called a "perfect storm of unaffordability" driving people and firms out of the state.¹ The average retail price of electricity in New York is well above the national average. Only Hawaii and Connecticut have higher average rates.²

But high prices aren't the only problem. Within the next few years, New Yorkers will have serious reason to worry about whether their lights will even be staying on.

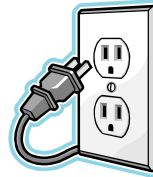
New York will need a lot more power—the equivalent of more than five new 500-megawatt generating plants—to avoid blackouts early in the next decade, according to the nonprofit corporation responsible for operating the state's bulk electricity grid.

Yet only one new large-scale generating plant, representing barely one-eighth of the required additional capacity, has been proposed in the state since the expiration five years ago of Article X, the landmark state law designed to speed the building of such facilities.

Action by Albany is urgently needed to expand energy capacity and reduce energy costs. Yet state laws and regulations in recent years have actually done the opposite—limiting capacity and raising costs. And the administration's energy policies threaten to make the situation worse.

This report reviews the state policy missteps that have threatened to short-circuit New York's energy system and recommends a series of corrective measures, including:

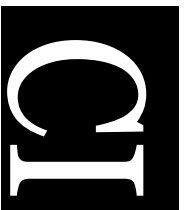
- Reauthorize the Article X sitting law without new restrictions on energy sources.
- Impose a moratorium on further increases to the System Benefits Charge used to fund state energy research and development programs, which has increased by almost 200 percent since being instituted in 1998 and which will have cost New Yorkers \$1.85 billion by 2011.
- Conduct a full-scale audit and cost-benefit analysis of the state's environmental and energy regulations that take into account the collective burden of those rules.
- Reconsider acid-rain regulations that add to New Yorkers' costs while doing nothing to stop acid rain caused by emissions from out-of-state power plants.
- Refashion the state's Renewable Portfolio Standard to allow energy companies, not state bureaucrats, to decide how to reach clean energy goals.
- Encourage further development of nuclear power and support the federal regulatory process for reviewing the proposed relicensing of the nuclear plant at Indian Point.
- Avoid tax and fee hikes that add to New York's already high energy costs.
- Suspend state involvement in the Regional Greenhouse Gas Initiative (RGGI), which will raise rates but fail to combat global warming, until feasible carbon-capture technologies are available.



Max Schulz is a senior fellow at the Center for Energy Policy and the Environment at the Manhattan Institute for Policy Research. His work focuses on the practical application of free-market principles in energy debates at the international, federal, and state levels. The Center for Energy Policy and the Environment examines the intersection of energy, the economy, and the environment, with particular focus on the national-security aspects of energy in the 21st century.

Action by Albany is urgently needed to expand energy capacity and reduce energy costs. Yet state laws and regulations in recent years have actually done the opposite—limiting capacity and raising costs. The administration's energy policies threaten to make the situation worse.

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