

CI NEWSLETTER

The Council of Industry of Southeastern New York

May 2009

The Manufacturers Association of the Hudson Valley

Volume 13 Issue 5

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Welcome New Associate Member:

AS Administrative Solutions.–
Training assessment and services, consulting.
Contact: Andy Sillin,
Modena, NY.

2009 Manufacturing Champion Awards Will Be Presented on May 29th

We are proud to announce the recipients of the 2009 Council of Industry Manufacturing Champion Award. This tribute is in recognition of individuals, who through vision, dedication, hard work and tireless involvement have helped to overcome some of the many obstacles faced by manufacturers in the Hudson Valley community and in doing so, they have made it possible for manufacturers and their employees to prosper.

From the public sector the Council has chosen to honor Town of Lloyd Supervisor Ray

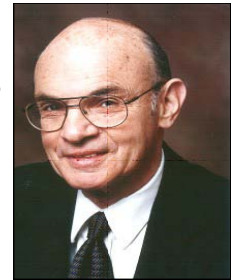


Town of Lloyd Supervisor Ray Costantino.

Costantino for his ongoing support of industry in the Town of Lloyd. Supervisor Costantino has been a supporter of the Ulster County shovel ready project which expanded the municipal water service and enabled Council of Industry member Se'lux and fellow manufacturer Zumtobel to announce expansion plans and add new jobs. He was also instrumental in the deal to relocate Prism Solar Technologies to the former Panasonic Plasma Display Building. He has been quoted as saying, "It is very important that we continue to have manufacturing jobs in Lloyd." In fact the Town of Lloyd plans on partnering with Prism to hopefully secure a NYSERDA grant to incorporate solar technology in the town's various facilities.

The manufacturing sector award goes to Jack Effron, Chairman of EFCO Products and past President of the Council of Industry. He was selected "for a lifetime of dedicated leadership, wisdom and friendship that have enriched the lives of EFCO associates, colleagues and our community." Mr. Effron is a graduate of Poughkeepsie High School and Columbia University. He served in the army for two years before returning to the family business. Since then he has not only helped run EFCO Products, but has

also been a member of Central Hudson Energy Group's Board of Directors, a founder and renowned former chair of The Taste of the Hudson Valley, a former board member of Hudson River Housing, and instrumental in creating Hudson Valley Foodworks. Mr. Effron has served in a position of leadership



Jack Effron, Chairman of EFCO Products.

on the board of Community Health Plan and as a trustee for St. Francis Hospital and Health Care Foundation where he was named the first Chairman for the foundation in 1998. Last but certainly not least, Mr. Effron has served as President of the Council of Industry from 1989 -1990 and on the Council's Board of Directors.

Supervisor Costantino and Mr. Effron join a distinguished group of people that have worked to make manufacturing in the Hudson Valley the formidable economic force it is today. Past winners of the Council of Industry's Manufacturing Champion Award for public service include New York State Senators Stephen Saland and William Larkin. Taylor N. Thompson, Chairman of Millrock Technology and Roger Smith, past President of Pawling Corporation both received the award for their lifetime contributions to the field of manufacturing.

The awards will be presented at the Council of Industry's Annual Manufacturing Champions Award Breakfast on Friday, May 29th, 7:30 am, at The Powelton Club in Newburgh, NY.

We would like to thank our sponsors to date: **Central Hudson Gas & Electric Corporation and Dynegy Northeast Generation.** Sponsorship opportunities are still available. If you are a Council Member and would like to attend check our website www.councilofindustry.org under Events or contact Ana Maria Murabito at ana-maria@councilofindustry.org or call (845) 565-1355.

Newsletter Sponsored By



Training and Education

Got a model or assembly you think SolidWorks can do but you're not sure how to get there? The Advanced class is probably for you. The perfect class for achieving a well rounded SolidWorks education.

Take Product Design to The Next Level: Advanced SolidWorks Training

Council of Industry members have the chance to participate in this excellent five day course that will cover Advanced Assembly Modeling, and Advanced Drawing for a very reasonable price.

For those going beyond basics, this class consists of 3 days of advanced part modeling and 2 days of advanced drawing. Got a model or assembly you think SolidWorks can do but you're not sure how to get there? The Advanced class is probably for you. The perfect class for achieving a well rounded SolidWorks education.

Dates: May 27, 28, 29 and June 9, 10

Location: Rockland Community College, Suffern NY

Instructor: CADimensions, Inc.

Time: 9:00 am—4:30 pm

Cost: \$500 per person, \$450 each for two or more from the same company

Continental breakfast and lunch included

For more information and a brochure outlining the five days of instruction, contact Ana Maria Murabito at anamaria@councilofindustry.org or call (845) 565 -1355.

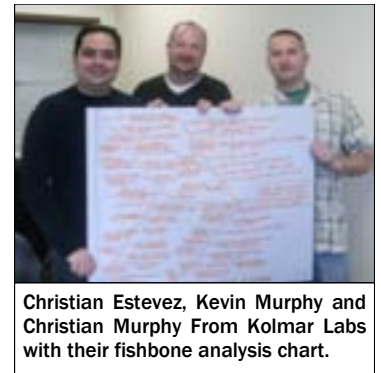
Wrap Up Of Lean Six Sigma Yellow Belt Training

Last month six companies attended the Council of Industry's Lean Six Sigma Yellow Belt Training presented by RIT's Vinnie Buonomo and Dr. Don Baker. The participants from Ditron, Inc., Jabil, Kolmar Laboratories, Inc., Metalized Carbon Corporation, Spectral Systems and Tanzco Management Consulting LLC, spent three days working on a project with a final presentation to their company managers at the end.

The teams of attendees from the various companies were asked to identify opportunities within their respective work area and ways to improve those areas utilizing the problem solving tools they are taught. The class learned both Lean and Six Sigma concepts such as the Define, Measure, analyze and Improve improvement process and Resistance to Change, 5-s Visual Controls, Team Building, Problem Solving Process and Statistical Thinking.

After learning ways of identifying problems and looking for the root cause and how to devise a solution, many participants realized that the original issue was broader than they had previously assumed. Through the use of the exercises such as the Fishbone Analysis Chart, they learned how to identify the problem, find its source and devise possible solutions. Teams were able to offer each other feedback in this cooperative learning experience. The managers that attended the final presentation were thoroughly impressed with the accomplishments of the participants and anxious to implement the new strategies devised during the course. One attendee commented that he felt this class had given him the tools to better help his company. Another participant said, "It was completely unlike anything I expected. Great program and I would like to participate in others."

The Council hopes to offer this program again next year and after such an enthusiastic group will look into a green belt program if there is enough interest.



Christian Estevez, Kevin Murphy and Christian Murphy From Kolmar Labs with their fishbone analysis chart.

Council News

EHS Sub-council Meeting: Loss Prevention

The Council of Industry Environment Health and Safety Sub-council will be meeting on Friday, May 22 to cover Loss Prevention. The meeting will be held in Patterson, NY at Groundwater & Environmental Services, Inc. (GES) and the will be presented by Cris Altman, NE Corporate HSSE Specialist, Groundwater & Environmental Services, Inc.

The Loss Prevention System (LPS) is a system designed to prevent or reduce losses using behavior-based tools and proven management techniques. The objective is to eliminate unsafe behaviors which lead to personal injuries, environmental incidents, and property damages. GES implemented the LPS system in 2003 based on a 30 year track record of industrial experience and research, and it's successful application across different industries and cultures.

Topics that Cris will cover related to the LPS System include:

- What is LPS?
- What are the benefits?
- How is it used?
- What are the 7 LPS Tools?
- How LPS has provided real benefit to GES.

Cris Altman has served with the U. S. Coast Guard providing waterfront chemical facility and liquid cargo vessel inspections and performing emergency environmental response activities. He earned a bachelor's degree in environmental science from Chadwick University. He worked as the Mid-Atlantic Remediation Specialist for Louis Dreyfus Energy from 1994 through 1999 managing petroleum releases at multiple bulk storage facilities in PA, MD, DE, and VA, and has worked as an environmental consultant throughout the Mid-Atlantic and New England since 1999.

Starting at GES in 2006, Cris served as project manager and Exxon's local health, safety, security, and environmental (HSSE) officer before taking over as the Northeast Region HSSE officer in June 2008.

When: Friday, May 22, 9:00 – 11:00 am
Where: Groundwater & Environmental Services, Inc., Patterson, NY
Cost: None for Council Members

To register or for more information contact Alison Butler by e-mail abutler@councilofindustry.org or call (845) 565-1355.

HR Sub-council Meeting: Lessons Learned From "The Office" – Workshop on Employment and Labor Law

This workshop, presented by **Richard Landau** from **Jackson Lewis LLP**, uses clips from the hit *NBC TV show "The Office"* to illustrate labor and employment law blunders that can occur in the work place and what steps should be taken to avoid these pitfalls.

Last year's workshop was well attended and covered harassment policy, investigation guidelines, guidelines for reasonable suspicion and progressive disciplinary action programs. Those Council members that attended last year, left the workshop, not only better prepared to deal with these subjects, but also in a great mood after spending time laughing at subjects that are normally quite stressful. This year with all new episodes there are sure to be several new topics to cover.

Attendees may want to review some episodes of the show before attending, but it is not a necessity. Recent episodes are available online at NBC.com or you can catch new episodes on NBC, Thursday nights at 9pm.

When: Friday, June 19, 8:30 – 10:00 am
Where: Council of Industry Office, The Desmond Campus, Newburgh, NY
Cost: None for Council Members
 To register or for more information contact Alison Butler by e-mail abutler@councilofindustry.org or call (845) 565-1355.

The Loss Prevention System (LPS) is a system designed to prevent or reduce losses using behavior-based tools and proven management techniques. The objective is to eliminate unsafe behaviors which lead to personal injuries, environmental incidents, and property damages.

Personnel Matters

Employee Record Retention – When Can Payroll Records Be Discarded? Perhaps . . . Never

By: Devora L. Lindeman, Esq., Greenwald Doherty LLP

The Ledbetter Act now starts the statute of limitations running with the receipt of every pay check that is claimed to be affected by the alleged discriminatory compensation decision. In effect, a discriminatory decision that was adopted many years ago can now be challenged based on the employee's most recent paycheck.

One of the issues that can be vexing for employers is the amount of time they need to hold on to employment records, particularly payroll records. While it can be cumbersome to keep many years of records, being able to access this information when needed can provide important defenses to companies subjected to lawsuits from employees. Often, lawsuits are won or lost based on the documentation the company maintained. Not only is this important in the litigation context, but there are also laws that require companies to maintain employment records for certain amounts of time.

To comply with New York record retention law, companies are required to keep certain records relating to their employees' compensation for a minimum of six years. The records that must be maintained include each individual's rate of pay, payroll records, and original time cards and any time sheets, to name a few. However, on January 29, 2009, record retention for employers throughout the country, particularly payroll records, took on added significance with the passing of the Lily Ledbetter Pay Act ("the Ledbetter Act").

The Ledbetter Act was enacted to overturn the Supreme Court's decision in *Ledbetter v. Goodyear Tire & Rubber Co.*, 550 U.S. 618 (2007). The Court in this case held that the period for filing a claim asserting discriminatory compensation (i.e., as in *Ledbetter*, a claim that the female plaintiff was paid more than similarly situated men), began on the date that the discriminatory pay decision was initially made. If the employee did not file a claim within the appropriate time even if, as happened in *Ledbetter*, she discovered the discrepancy many, many years later, the claim would be lost because the statute of limitations would have passed.

The Ledbetter Act now starts the statute of limitations running with the receipt of every pay check that is claimed to be affected by

the alleged discriminatory compensation decision. In effect, a discriminatory decision that was adopted many years ago can now be challenged based on the employee's most recent paycheck. Thus, the Ledbetter Act instituted an almost limitless filing period for claims of pay discrimination under federal law on the basis of gender, race, national origin, religion, disability, or other categories protected by applicable law. Employers still likely retain certain defenses relating to ancient claims, but it is unclear how they will be received in the context of this new Act.



What does this mean for employers? Record retention policies should be created and/or updated so that pay decision documents are maintained. Companies should adopt policies of documenting the rationale behind pay decisions (i.e., those regarding

starting pay and periodic raises), and should ensure that there is no discrimination in either process. Companies should periodically verify their compensation against the market, and compare compensation of similarly situated employees, to ensure no discriminatory decisions have been made. These records should be maintained indefinitely, notwithstanding the six-year requirement under New York law.

Taking these affirmative steps can provide a defense for the company should a lawsuit ensue based on a salary decision by a manager who is long-gone, or even, potentially, deceased. In the world of employee litigation uncertainty, it is best to take available precautions such as appropriate document retention to provide the company with this layer of protection.

Devora L. Lindeman is Senior Counsel with Greenwald Doherty LLP, a labor and employment law firm exclusively representing management in relationships with employees and unions, with offices in NY, NJ, CT and PA. She provides management training to employers and employer associations and is a regular contributor to HumanResourcesIQ.com. Howard Pine is thanked for his assistance with this article.

More Personnel Matters

The 7 Principles for Inspiring Employees

From HR.com By Terry Barber, Inspiration blvd., LLC

With a suffering economy there is the temptation to operate in fear. As scary as the situation may be, leaders have a great opportunity and responsibility to be inspiring. Here are seven principles for inspiring your employees that you can take action on today.

Implement one of these principles and make a difference. Implement all seven and change the culture you live and work in.

1. Authenticity - get out of the image management business for yourself and your company. Share with the people in your organization where you are weak. Verbally express just how much you need them. Let them know that you know your limitations. Invite them to partner with you to get through these difficult times.

2. Connect with Other's Dreams - use these difficult times to uncover the latent dreams and ambitions of your key talent. Tell them you are more committed than ever to helping them get to where they want to go. Be creative in aligning their tasks for today with their dreams for tomorrow.

3. See in Others the Abilities They Don't See in Themselves - take time to be observant. Quit the craziness long enough to notice the talent in those around you. This even works if you are trying to manage up. This principle works best by breaking it down into three steps, notice, name, and nurture. After you have noticed a talent or strength in a person, let them know you noticed it and be specific about what you noticed. Don't just say "I noticed you are a hard worker." Rather, "I notice you care very deeply

about making sure the details are in order or I notice you are very articulate on that subject." Look for ways to bring that talent out by providing opportunities and training to support that particular talent.

4. Speak and live with credibility - I also refer to this principle as leading with moral authority. It does not mean much for you to say "let's keep looking for the opportunity ahead" while living in fear and operating with a scarcity mentality.

5. Inspire With Great Stories - this is the principle of overhearing. This is not to be confused with the art of storytelling. The emphasis here is looking and telling stories that have a lesson. What can you learn from the story of a mountain climber? What can you glean from the story of one who has gone from rags to riches or better yet, from riches to rags? Pull your team together today and use story to inspire.

6. Help People to Live on Purpose - remind them that what happens at work is only a portion of their life. As important as that portion is, it is not all that there is to life. Help people write down a vision statement for their life first and then for their job. If work can be a conduit towards that vision for life, great!

7. Create a Culture of Inspiration - following the example of John Wooten, UCLA's iconic coach, become teachers committed to excellence and character development. Chasing numbers and making decisions by looking only at the "bottom line" causes us to be reactive and impulsive.

After you have noticed a talent or strength in a person, let them know you noticed it and be specific about what you noticed. Don't just say "I noticed you are a hard worker." Rather, "I notice you care very deeply about making sure the details are in order or I notice you are very articulate on that subject."

Consumer Price Index - Mar. 2009

| | | | | <u>Point</u> | <u>%</u> | <u>% Increase</u> |
|---|----------------|-------------|-------------|-----------------|--------------|-------------------|
| Wage Earners & Clerical | <u>Mar '08</u> | <u>Mar.</u> | <u>Feb.</u> | <u>Increase</u> | <u>Month</u> | <u>Year</u> |
| 1967=100 | 622.99 | 617.24 | 615.72 | 1.52 | 0.2 | -0.9 |
| 1982-84= 100 | 209.15 | 207.22 | 206.22 | 1.0 | 0.5 | -0.9 |
| All Urban Consumers | | | | | | |
| 1967=100 | 639.64 | 637.18 | 635.64 | 1.55 | 0.2 | -0.4 |
| 1982-84=100 | 213.53 | 212.71 | 212.19 | 0.52 | 0.2 | -0.4 |
| Hudson Valley Unemployment Rate for March 2009 = 7.4% | | | | | | |



Legislative Matters

Health Care Reform - State of Play

By - *Jerl G. Kubicki, NAM Vice President, Human Resources Policy*

Consensus appears to be forming around many of the broad components of what health reform will look like. The Senate is moving ahead quickly and the House will soon follow.

Based on NAM interactions with policymakers, we believe the following will likely be part of a health reform bill: requiring all individuals to obtain health insurance coverage; creation of a health insurance exchange (or connector) to facilitate purchasing insurance for the individual and small group markets (size to be determined); insurance reform within and outside the connector; expanded access to current public programs such as SCHIP and Medicaid; and reforms to the health delivery system that focus on how to provide more value and better quality (payment and delivery reform). It is also likely that Sen. Tom Harkin's legislation, S. 803, the Healthy Workforce Act, will serve as the framework for the wellness and prevention section of the broader reform legislation



Many details are still being worked out, including- whether a mandate for employers to help pay for health care coverage either by providing coverage to employees or paying some type of fee (the NAM continues to strongly advocate against this approach); use of reconciliation to move health reform through the legislative process (see below on the budget process); and how to pay for health reform (estimates of the cost are over \$1 trillion), including potential tax changes for employers and individuals.

One of the most controversial components under consideration is whether to include a public plan option. While in the past Administration officials strongly supported a public plan option, recent statements provide signals of potential compromise to achieve health reform this year (click here to see an article from Reuters: [Reuters Article](#)). However Administration officials portray the President's position, Republicans in Congress remain steadfastly opposed to an increased government role in health care.

Timing

Congressional leaders continue to push their ambitious timetable to move comprehensive health reform legislation through both chambers of Congress by the end of July. Both the House and Senate and their respective committees of jurisdiction will move full speed ahead upon their return next week. Congressional staff continues to host informal discussions with various stake-

holder groups, including the NAM, to focus on the areas of reform mentioned above. Expectations are for the committees of jurisdiction to introduce legislation within their respective areas in June and move to mark up and pass the bills through the committees prior to July. The bills will be combined into one House and Senate version and then debated in each chamber during the month of July. The ultimate goal is to pass legislation prior to the August break so that policymakers may conduct conference negotiations during the recess and have a conference agreement ready by mid-September for final passage into law.

In addition, Senate Finance Committee Chairman Max Baucus has announced the first in a series of three roundtable discussions to work through the details of health reform legislation. The first meeting will be held on Tuesday, April 21, at 10:00 a.m., in 216 Hart Senate Office Building and focus on how to reform the delivery system. More details about the event can be found here: [Finance Roundtable](#)

Budget Process

The outcome of current negotiations on whether to include budget reconciliation instructions to enact health reform legislation will have a profound impact on the outcome of the health reform debate. Reconciliation sets time limits on debate in the Senate and prevents filibusters, meaning a bill would require only 51 votes to pass. Democrats hold a potential 59 seat advantage in the Senate, thus more progressive members of the Democratic caucus could use reconciliation to advance a more liberal-leaning health reform bill that could have a number of effects on the current employer-sponsored health care system. (click here to see concerns outlined by Senate Republicans on using the reconciliation process: [Senate Letter on Reconciliation](#))

White House Office of Health Reform

On April 8, the White House officially announced the creation of the White House Office of Health Reform to help coordinate efforts between government agencies, like HHS and the Administration. Nancy-Ann DeParle will serve as Counselor to the President and Director of the office. DeParle previously served as the Administrator of HCFA (now known as CMS) under President Clinton and has served a number of other important health positions throughout her career. DeParle has been meeting almost daily with Congressional staff to provide insight into the Administration's views on reform and to help craft legislative language.

Congressional leaders continue to push their ambitious timetable to move comprehensive health reform legislation through both chambers of Congress by the end of July.

Member Profile

Member Profile: Stanfordville Machine & Manufacturing Company, Inc.

Year Founded: 1975

Location: Stanfordville, NY

Products: Manufacturer of precision CNC machined parts.

Website: www.stanfordville.com

Many Council of Industry members use products that have been machined in some way to, in turn, manufacture their own products. Stanfordville Machine & Manufacturing Company, Inc. is one of the top names in the precision machining industry. Since the company was started in 1975 by John Johnsen, it has grown and evolved. Stanfordville offers prototype machining with the potential of production runs of those same products. They are also using state of the art technology to reduce waste, turnaround time, and increase quality and production.

To quote a part of Stanfordville Machine & Manufacturing Company's mission statement, this is a company that "strives to earn long-term partnerships with our customers by continuously meeting and exceeding their expectations..." It is this goal that drives this company to achieve the success that it has.

Before starting Stanfordville Machine, John Johnsen had been a top salesman for a company in New Jersey that leased and sold machine tools. Johnsen had always been interested in the precision machining business. In 1975 he moved to Stanfordville, purchased a few machines, hired several tool makers on a part time basis and started his own company. With the assistance and direct involvement of Johnsen's two sons, Peter and Neal, Vice President and General Manager, and Vice President of Sales respectively, the business began to show promise. As a result, state of the art machines were added to maintain quality, on time deliveries and competitive pricing. The workforce has grown to fifty employees, and has supplied Fortune 500 companies with low cost, high quality parts consistently for almost thirty-five years. In addition, Stanfordville Machine is also responsible for the design and manufacturing of parts for its division, Kent Gage & Tool Company.

STANFORDVILLE MACHINE & MANUFACTURING COMPANY, INC.

Stanfordville offers prototype machining,

which is in high demand because fewer companies provide this service. This is one of many areas in which Stanfordville excels, providing customers with complete close tolerance prototype parts on a quick turnaround basis. This excellence can be attributed to the expertise of Stanfordville's programmers and toolmakers. Their employees are highly skilled, dedicated and driven people who understand and operate state of the art equipment such as several new machines that allow them to hold extremely close tolerances. Stanfordville also installed a program called Job-Boss which is a software package that supports the machine shop and contains capabilities that allow Stanfordville to effectively manage the large number of concurrent jobs running through the shop, respond quickly to changes, and access up-to-the-minute information on job status.



A two pallet Mitsubishi Horizontal CNC Machining Center.

The key to remaining successful in today's world of manufacturing is to innovate and stay head of the curve. Stanfordville has done this by setting up and operating a Computer Assisted Instruction (CAI) department whose objective is to train new employees coming into the business in basic blue print reading,

using inspection tools, setting up and operating lathes and mills, and a variety of other courses to introduce those new hires, who have no experience in machining to the industry. They also have two new Mitsubishi Horizontal Machining Centers that have increased their capability, reduced downtime, cycle time, and secondary operations. In addition, Stanfordville trains the majority of their employees in LEAN manufacturing and has implemented LEAN practices throughout the entire shop.

It is the tireless drive to live up to their mission statement that makes Stanfordville stand out from their competitors. Continually meeting and exceeding expectations in the pursuit of long-term partnerships with their customers, that is precisely what Stanfordville Machine and Manufacturing is about.

The workforce has grown to fifty employees, and has supplied Fortune 500 companies with low cost, high quality parts consistently for almost thirty-five years.

EHS Matters

While a review of records at the start of an inspection is commonplace, this requirement expands the review and makes it a key part of every inspection. This much is clear: employers must review their recordkeeping practices and logs to ensure that they are accurate and up to date.

OSHA Revises Workplace Inspections Manual and Developing Six New National Emphasis Programs

From JacksonLewis.com

Signaling its renewed focus on enforcement, the Occupational Safety and Health Administration has released a revised manual guiding the conduct of its inspections. OSHA's "Field Operations Manual" or "FOM," released March 26, is over three hundred pages long and directs OSHA compliance officers from the start of their inspections to the issuance of any citations and penalties. OSHA initially released the FOM at the end of the Bush Administration. However, it was temporarily put "on hold" after President Barack Obama took office.

One area of emphasis in the FOM is on OSHA recordkeeping. The FOM states that at the start of each inspection, an OSHA compliance officer *shall* review an employer's injury and illness logs for the three prior calendar years. Compliance officers are instructed to do this for *all* general industry, construction, maritime, and agriculture inspections and investigations. While a review of records at the start of an inspection is commonplace, this requirement expands the review and makes it a key part of every inspection. This much is clear: employers must review their recordkeeping practices and logs to ensure that they are accurate and up to date.

The new FOM also provides more detail on OSHA's use of the General Duty Clause, which requires all employers to maintain a workplace free from recognized, serious hazards. To assert a General Duty Clause violation, OSHA must first demonstrate that an employer or the employer's industry recognized the hazard involved. The FOM provides an expansive list of the types of documents that signify employer or industry recognition, including company memorandums, safety work rules and manuals, workers' compensation reports, manufacturers' warnings, and national consensus standards if the industry participated in the drafting of the standards. When employers identify hazards through these or other means, they must

take steps to address the hazards, if feasible, or risk an OSHA General Duty Clause citation.

OSHA has also announced it is developing six new National Emphasis Programs (NEPs). NEPs focus OSHA's resources on industries, hazards, and occupational injuries and illnesses that need additional targeted enforcement, in the Agency's view.

OSHA's Director of Enforcement Programs revealed the following industry-specific NEPs are in development:

- Chemical plants – process safety management;
- Primary metals;
- Flavorings and diacetyl; and
- Oil and gas well drilling.

Employers in these industries should expect additional inspections and take steps now to ensure their safety and health practices are fully compliant with OSHA requirements.

Even more employers, however, can anticipate increased scrutiny on account of OSHA's recordkeeping initiative. As a result of questions raised by Congress and labor organizations that injuries and illnesses are underreported, OSHA announced it is developing a recordkeeping NEP. All employers who are required to keep OSHA injury and illness logs should review them now for accuracy, completeness, and appropriate certification. Finally, OSHA is developing an NEP dealing with occupational asthma, a growing area of concern for OSHA and the National Institute for Occupational Safety and Health.

In a recent speech, newly-confirmed Secretary of Labor Hilda Solis committed OSHA to increased enforcement. These NEPs and FOM will drive much of that enforcement in coming months. Jackson Lewis attorneys are available to assist employers in ensuring that their safety and health practices are fully compliant with OSHA rules.

Newsletter Sponsored By



CI Calendar—What’s Ahead

| | |
|----------------------------|--|
| May 6 | <u>Certificate in Manufacturing Leadership: Worksite Training Skills</u> - Dutchess County Community College, Poughkeepsie, NY 9:00 am - 4:30 pm Cost: \$185 per person/ \$160 for two or more from same company. |
| May 13 | <u>Certificate in Manufacturing Leadership: Best Practices & Implementing Change</u> - Dutchess County Community College, Poughkeepsie, NY 9:00 am - 4:30 pm Cost: \$185 per person/ \$160 for two or more from the same company. |
| May 22 | <u>Environment Health & Safety Sub-council: Loss Prevention</u> — 9:00am—10:30am at Groundwater & Environmental Services, Inc. (GES), Patter-son, NY. Cost: None for members. |
| May 27,28,29 June 9, 10 | <u>Advanced Technology & Innovation: Advanced Solidworks</u> —9:00 am - 4:30 pm. Location: Rockland Community College, Suffern, NY, Rm 8376. Cost: \$500 per person/ \$450 for two or more from the same company. |
| May 29 | <u>The Council of Industry’s Annual Award Breakfast</u> - 7:30 am - 9:15 am at The Powelton Club, Newburgh, NY. Cost to attend: \$30 per person, \$215 for a table of eight. |
| June 19 | <u>Human Resources Sub-council Meeting: Lessons Learned from “The Of- fice” - Workshop on Labor and Employment Law</u> - 8:30 - 10:00 am at The Council of Industry Office, The Desmond Campus, Newburgh, NY. Cost: None for members. |

Energy Matters

Comprehensive Energy and Economic Embargo Bill Draft Released

Rep. Henry Waxman (D-CA) and Rep. Edward Markey (D- MA) have released their 650-page discussion draft of their energy regulation and global warming bill, “The American Clean Energy and Security Act of 2009.”

The legislation has four titles:

Title 1–“Clean Energy” - Includes a renewable electricity mandate which requires 6% of electricity come from renewable fuels by 2012, and 25% by 2025. This title also includes incentives for carbon capture and storage, a low carbon fuel mandate, additional taxes on electricity generated from fossil fuels, and requirements that utilities plan for smart grid and electrical vehicle recharging.

Title 2–“Energy Efficiency” - Mandates higher energy efficiency standards for buildings, lighting, and appliances. Also encourages efficiency by utilities and by industry.

Title 3–“Reducing Global Warming Pollution” - Requires the EPA Administrator to estimate regulations to reduce carbon dioxide emissions by 20% below 2005 by 2020, 40% below 2005 by 2030, and 83% below 2005 by 2050. The title include a cap and trade energy tax program, but does not specify im-
portant aspects of the program yet.

Title 4–“Transitioning to a Clean Energy Economy” - Authorizes programs to try to redistribute taxes from cap and trade program to lessen the harmful economic impacts of cap and trade.

The discussion draft as the starting point for hearings that began April 23rd and will continue through May. The Obama Administration has so far welcomed the draft without outright endorsing it.

Business groups including the NAM warn that between 2000 and the first quarter of 2008, as many as 3.7 mil-
lion jobs were lost in the U.S. in large part because of high energy prices. This legislation, if enacted as is, may dou-
ble that number.

**Manufacturers Electricity
Aggregation**
An Opportunity to Manage Your
Electricity Costs

845-897-3661
845-565-1355



***“Reducing
Global Warming
Pollution” -
Requires the
EPA
Administrator
to estimate
regulations to
reduce carbon
dioxide
emissions by
20% below
2005 by 2020,
40% below
2005 by 2030,
and 83% below
2005 by 2050.
The title include
a cap and trade
energy tax
program, but
does not
specify
important
aspects of the
program yet.***





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Manufacturing Matters

America Ranks 8th in New Global Innovation Index: Government Can Help Move America Up the Innovation Index

From NAM.com

WASHINGTON, D.C., March 9, 2009 – In the largest and most comprehensive global index of its kind, the United States ranked eighth in innovation leadership among 110 countries, according to a new report produced jointly by The Boston Consulting Group (BCG), the National Association of Manufacturers (NAM), and The Manufacturing Institute (MI), the NAM's nonpartisan research affiliate. Singapore topped the list, followed by South Korea and Switzerland. The United States ranked second among large countries (as measured by GDP), behind South Korea.

Unlike other indices, the BCG/NAM/MI International Innovation Index is part of a broad research study that looked at both the business outcomes of innovation and government's ability to encourage and support innovation through public policy. The study comprised a survey of more than 1,000 senior executives from NAM member companies across all industries; in-depth interviews with 30 of the executives; and a comparison of the "innovation friendliness" of 110 countries and all 50 U.S. states. The findings are published in a new report titled *The Innovation Imperative in Manufacturing: How the United States Can Restore Its Edge*.

The report discusses not only country performance but also what companies are doing and should be doing to spur innovation. It looks at a host of new policy indicators for innovation, including tax incentives and policies for immigration, education and intellectual property.

"America needs a bold innovation strategy," said NAM President and Chief Executive Officer John Engler. "U.S. manufacturing innovation leadership is at risk. We've fallen behind countries in East Asia and Europe. America can not afford to lose its manufacturing innovation edge and the wealth and jobs that it generates throughout our economy. Government can help move America up the innovation index by enacting more competitive tax, trade and workforce policies that enable U.S. manufacturers to innovate and succeed globally. The report also shows the United States needs more competitive immigration and infrastructure policies to help drive innovation," he said.

"In today's global economy, innovation is critical," said co-author James P. Andrew, a BCG senior partner and global leader of the firm's innovation activities. "The emergence of challengers from rapidly developing economies such

as India and China has transformed the playing field. With high-quality, inexpensive products flooding the market from every corner of the globe, competing on cost alone is a losing battle for most U.S.-based manufacturers," Andrew said.

"A skilled, educated workforce is the most critical element of innovation success – and the hardest asset to acquire," added co-author Emily Stover DeRocco, president of The Manufacturing Institute. "The study shows that in companies and countries alike, a high number of researchers and advanced degrees – particularly in science and engineering – are the greatest predictor of success. Innovation requires capable and skilled people at every level – from the factory floor to the top floor."

Six states scored above average in both their innovation policy environment and performance: California, Connecticut, Delaware, Massachusetts, New York and Washington. Overall, however, the study found the states are quite similar with respect to innovation. The key reasons are that federal policy is the same across all states, and the United States has an "American culture" that affects the overall business climate, overriding the wide variety of geographies, industries and demographics.

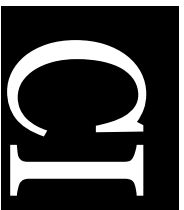
To rank the countries and states, the study measured both innovation inputs and outputs. Innovation inputs included government and fiscal policy, education policy and the innovation environment. Outputs included patents, technology transfer, and other R&D results; business performance, such as labor productivity and total shareholder returns; and the impact of innovation on business migration and economic growth.

The report names four critical factors that lead to innovation success – idea generation, structured processes, leadership, and skilled workers – and stresses that government must support these efforts through effective policies. The report also suggests six concrete actions that states and countries can take to help drive forward innovation in manufacturing:

- Strengthen the workforce;
- Maintain a strong manufacturing base;
- Lead by example;
- Make innovation easier;
- Improve the payback; and
- Be consistent with policies.

America can not afford to lose its manufacturing innovation edge and the wealth and jobs that it generates throughout our economy. Government can help move America up the innovation index by enacting more competitive tax, trade and workforce policies that enable U.S. manufacturers to innovate and succeed globally.

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