

CI NEWSLETTER

The Council of Industry of Southeastern New York

May 2008

The Manufacturers Association of the Hudson Valley

Volume 12 Issue 5

The Council of Industry's Third Annual Manufacturing Champion Award

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Welcome New Members:

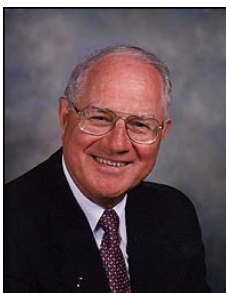
ALE -TECHNIQUES, Inc. - Manufacturing services. Contact: Daniel Ale. Ulster County.

Provident Bank - Commercial Banking. Contact: John Nardi. Branches through out the Hudson Valley.

The Council of Industry is proud to announce the 2008 recipients of the Third Annual Manufacturing Champion Award. This year the Council will present awards to two individuals: one from the manufacturing sector and one from the public sector. The winners will be honored at the Council of Industry's Manufacturing Champion Award Breakfast on Friday, June 6, at the Powelton Club, Newburgh, NY.

The Manufacturing Champion Award recognizes 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.

The award for the public sector will be presented to New York State Senator William J. Larkin, Jr. for his lifelong contributions to the manufacturing community. Senator Larkin is serving his twenty-ninth year in the New York State Legislature and in 2007 served on the Standing Committee for Commerce, as well as on the Standing Committee for Economic Development and Small Business.



New York State Senator William Larkin, Jr.

Senator Larkin is a vigilant supporter of a pro-growth agenda and has a long record of accomplishments in support of small business and manufacturers. He has also endorsed the Upstate Now Plan, which was designed to help small and large businesses and increase economic

growth and revitalize the upstate economy.

This year the manufacturing sector award will be presented to Mr. Roger W. Smith, retired President of Pawling Corporation and a past President of the Council of Industry. Mr. Smith attended Williams College and Columbia Business School before going to work at Pawling Rubber Corporation full time. He eventually succeeded his father Howard Smith as President.



Mr. Roger Smith, retired President of Pawling Corporation.

Mr. Smith has been a role model for many in the world of business because of how through a strategy of diversification he created a durable company that is not only surviving, but excelling during this uncertain time in industry. He retired in 2006 with son Jason becoming President of Architectural Products/ Presray and Craig Busby and John Rickert becoming Co-Presidents for Engineered Products in Pawling.

The Council of Industry would like to thank our major sponsor for the breakfast, **Hudson Baylor Corporation** and our supporting sponsors: **Rose & Kiernan, Central Hudson, Pawling Corporation, and Verticon Construction Services.**

The Award Breakfast will be held at 7:30 am on Friday, June 6, at the Powelton Club, Newburgh, NY. For more information check our website www.councilofindustry.org under Events or contact Ana Maria Murabito at ana-maria@councilofindustry.org or (845) 565-1355.

Newsletter Sponsored By



Training and Education

The Managing Diversity class is for managers who direct a culturally diverse staff or serve a diverse customer base. Training covers communicating effectively with diverse audiences and managing cross cultural issues such as concepts of time, power, and communication styles.

Certificate in Manufacturing Leadership - Worksite Training

The Council of Industry will offer this informative course that will provide participants with useful skills and materials for training delivery including: training assessment, planning and design, instructional strategies and evaluation, conducting group and individual instruction, monitoring follow up and reinforcement of training.

Date: May 7 **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.

Certificate in Manufacturing Leadership - Best Practices & Continuous Improvement

The Council of Industry will offer this informative course that will provide participants with proven techniques to improve operations for better efficiency within their organization. Topics to be addressed are:

- Identification of Critical Tasks
- Definition of Best Practices and Processes
- Creating Task Plans With Teams
- Implementing Change Through the Work Force
- Auditing Performance and Results

Date: May 21 **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.

Certificate in Manufacturing Leadership - Managing Diversity

This course is for managers who direct a culturally diverse staff or serve a diverse customer base.

Training covers communicating effectively with diverse audiences and managing cross cultural issues such as concepts of time (deadlines, schedules, meetings), power (levels of formality, negotiations), and communication styles (direct v. indirect). Learn to probe and ask exploring questions to gauge comprehension. Develop the intercultural competencies needed to fruitfully manage diversity.

Date: May 28 **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

The Office: Workshop on Labor and Employment Law Issues

Is it possible to learn something from prime time television? Join Richard Landau from Jackson Lewis LLP to find out what pearls of wisdom can be gained from

watching the hit TV show "The Office". This workshop will be held on Friday, June 20th, at the Council of Industry,

The Desmond Campus, Newburgh, NY from 8 -11 am.



Steve Carrell and the hit TV show "The Office" can teach HR people what NOT to do.

If you haven't seen the show yet, it is about a fictional paper and office supply company called Dunder and Mifflin. "The Office" feature's Steve Carell as Michael Scott, the blundering manager. As Mr. Landau puts it, "In addition to the dry, intelligent and hilarious humor, the show serves up an unending array of juicy labor and employment law scenarios (almost always in unlawful but inventive ways)."

If you would like to review some episodes before attending, you can see reruns on TBS at 10pm or you can catch the more recent episodes on NBC.com. Even if you don't watch the show, this promises to be a fun way to pick up a few human resource best and worst practices.

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.

EHS Sub-council to Tour Thruway I87-I84 Interchange Site

The Environment Health and Safety sub-council will tour the I87- I84 Interchange that is presently under construction in Newburgh, N.Y. on Friday, May 16. We will join Mr. Herb Litts, New York State Thruway Authority Division Engineer and long time friend of the Council of Industry, for a walking tour of the interchange project.

This construction project, designed to provide a direct connection between Interstate 87 and Interstate 84, began in 2003 and is expected to be completed by August of 2009 with an estimated cost of \$120 million. The maintenance buildings at the site have many "green" technologies incorporated into their design in order to increase their energy efficiency.

We will be able to see many of these "green" aspects of the project, as well as the on going work on the interchange itself. We will find out more about their LEEDS Silver Certification, the grey water system, and the co-generation facility.



Ariel view of the I87-I84 Interchange.

Because of the nature of this worksite, participants must wear the required safety equipment (hard hat, safety vest, safety glasses, and protective footwear). If you need to borrow anything please let us know by May 13th, this is also the final day to register.

For more information or to register, please contact Alison Butler by e-mail at abutler@councilofindustry.org or by phone at (845) 565-1355.

As Mr. Landau puts it, "In addition to the dry, intelligent and hilarious humor, the show serves up an unending array of juicy labor and employment law scenarios (almost always in unlawful but inventive ways)."

Personnel Matters

Employee Terminations: Ten Must-Do Steps When Letting Someone Go

James Bucking - Foley Hoag LLP

The best time to head off a discharge-related lawsuit is at the moment of the termination, or even before. There are two basic components to this strategy: litigation avoidance and litigation preparation.

Most employment litigation stems from employee terminations. The reasons are obvious: terminations cause hard feelings, create economic need, provoke plaintiffs' lawsuits, and remove the powerful disincentive to sue inherent in an ongoing working relationship. Litigating termination claims is also expensive – six- and even seven-figure damage awards are not uncommon.

As the U.S. economy continues to stagger, it's certain that the rate of employee dismissals will rise, as companies in multiple industries are forced to lay off large groups of workers. Which means that not only HR officers, but more line managers, department heads and business owners are going to have to take on the uncomfortable role of terminator for their companies.

The best time to head off a discharge-related lawsuit is at the moment of the termination, or even before. There are two basic components to this strategy: litigation avoidance and litigation preparation – i.e., handling the termination so as to enhance the likelihood of winning if an action is brought. Below are 10 tips to accomplish both objectives.

1. Know the Facts. Talk to supervisors, co-workers and subordinates as appropriate and necessary, and write down what they say. You should also speak with the employee at issue—better to know before you fire somebody what they have to say than to hear it first at a deposition. If the employee refuses to speak to you, or is evasive and/or contradictory in respond, these reflect badly on credibility in any subsequent litigation.

2. Review the documents. Related to the need to investigate is the need to review documentation concerning an employee about to be fired, especially commonly inflated performance reviews now endemic in workplaces. Also review disciplinary records of other employees similarly situated to this employee.

3. Create new documents. Sometimes the problem with a termination is that there are few if any documents supporting your decision to fire an employee. There is nothing wrong with creating such documents—in fact, it is a good idea. Don't fabricate or back-date, of course. Rather, create documents beforehand giving full reasoning for your decision.

4. The electronic scourge. Technology can be your friend, or your enemy, and this applies with force to employee terminations. Many people and documents are typically involved in discharge decisions, and today's technology keeps

a permanent record of the untidy, behind-the-scenes process. Litigation discovery can reveal it for the world to see. Have an attorney involved at all stages, cloaking a paper trail in attorney-client privilege. If an attorney is not involved, take great care to avoid creating a permanent electronic record.

5. Tell the truth. This advice is not moral, but legal. The worst thing you can do when terminating an employee is be dishonest as to why. Employers avoid confrontation and hard truths, so when they fire an employee for poor performance they characterize it as a "layoff." Having a good reason for termination is not enough; your statements and documentation must square with that reason.

6. Don't be gratuitously cruel. This is the corollary of "tell the truth," meaning that all you have to do is inform the employee of the reason he is being fired; you do not need to convince him that you are right or win a debate. If a case does go to trial, it does not play well before a judge, and especially a jury, for an employer to appear cold-hearted.

7. Conduct the termination in a respectful way. The manner by which you give notice is important. A good practice is to be as private, respectful and decent as possible. The employee surely is not enjoying himself—you should not appear to be enjoying yourself either.

8. Have backup. Just as you plan and document the reason for the termination, you should plan and document the termination itself. Two people should be present, and both should take detailed notes. To avoid pretext claims, it is important to have documentation that what you told the employee was consistent with your previous oral and written statements regarding discharge.

9. Pay all compensation due. Wage claims are one of the fastest-growing categories of employment litigation. Wage laws tend to favor the employee both substantively and procedurally. In planning a termination, it is important to ensure that all monies due to the employee are paid promptly.

10. Think about other agreements and commitments, real or potential. These might include non-compete and non-disclosure agreements and, more importantly, individual employment agreements, severance agreements or other commitments. Make sure you understand and comply with any obligations you have to the departing employee, and make sure she understands any obligations she has to the company.

More Personnel Matters

Managing Generation Y

Generation Y, born between 1982-1993, are generally tech-savvy, confident, respectful of diversity, and committed to civic duty. They have a great deal to offer as employees and whether or not you like their style, they are the future workforce. Companies that have the knowledge and action plans for the best ways to attract and retain Gen Y workers will have a strong competitive advantage.

What do Gen Y want in a workplace? According to Deloitte's Global Manufacturing Industry report entitled "Managing the Talent Crisis in Global Manufacturing: Strategies to Attract and Engage Generation Y", these employees value most:

- Long-term career development and multiple experiences within a single organization
- Availability and access to mentors across the company
- Work-life flexibility
- Tech-savvy work environment
- Open social networks that embrace open and honest communication



Management can show commitment to these Gen Y values through the ways they communicate. In order to get the results they want, good communicators adjust their communication style to meet the needs and expectations of their audience. For managers of Gen Y employees, this means:

- **Communicate opportunities with clear timelines.** Gen Y change jobs frequently and want to start work at a decision/policy-making level. To get them to stay put, Gen Y employees need to know what type of advancement, training, and opportunities they can expect, and when. Give them a clear picture of the next 18 months. Discuss opportunities with a timeline, but explained clearly that pay correlates with experience, qualifications and job performance.
- **Talk about purpose, not just performance.** Gen Y want to belong to a group, and make committed team members. They want to be good, active citizens. Show them the benefits of what they are doing. They need reasons and purpose to connect with their work.
- **Give feedback.** Text savvy, raised with cell phones, email, text messaging, IM and social media, Gen Y love feedback and expect it constantly and immediately. Give frequent feedback, but set clear and explicit boundaries ("I don't need to be contacted about x") to avoid having your time eaten up.
- **Take the time to explain.** Many managers balk at the idea of having to explain or justify their decisions, whereas Gen Y may see this as open and honest communication. Gen Y need to buy into the mission. This is an area where mentors can be invaluable.
- **Help them develop audience awareness.** Gen Y live in a world of social media, where everyone can post their opinion. This doesn't apply in the workplace. Help make Gen Y aware of how various audiences (customers, supervisors, team members) may interpret their behavior, communication style, dress, etc.

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

Companies that have the knowledge and action plans for the best ways to attract and retain Gen Y workers will have a strong competitive advantage.

Consumer Price Index - March 2008

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Mar.'07</u>	<u>Mar.</u>	<u>Feb.</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	615.1	623.0	616.9	6.1	1.0	+1.3
1982-84= 100	205.4	209.1	207.3	0.9	0.3	+1.8
All Urban Consumers						
1967=100	597.6	639.7	631.0	8.7	1.4	+7.0
1982-84=100	200.6	213.5	211.7	1.8	0.9	+6.4
Hudson Valley Unemployment Rate for March 2008 = 4.5 %						

Legislative Matters

Economic Development: Initiating a \$1.6 billion economic development capital plan, including a \$700 million Upstate Revitalization Fund to help create jobs and spur growth throughout Upstate.

Patterson and Legislative Leaders Announce Budget Agreement

By Karen Burns — Director of Communications and Government Relations MACNY

Earlier this month Governor David A. Paterson and the Legislature reached a five-way consensus budget agreement. Preliminary results indicate that State Operating Funds spending will total \$80.5 billion, a 4.5 percent increase from last year. All Funds spending will total \$121.7 billion, an increase of 4.9 percent.

The Enacted Budget does not include a personal income tax increase, and reflects \$1.8 billion in recurring spending cuts and \$1.5 billion in recurring revenue actions. The State financial plan utilizes \$1.3 billion in non-recurring revenues, which is comparable to historical levels, and \$400 million in labor reserves. It does not utilize any of the State's \$1.2 billion in rainy day reserves.

Notable actions taken to balance the budget and close the state's projected \$4.6 billion budget gap include:

Government Efficiencies: Cutting approximately \$1 billion in state agency operations will help minimize cost shifts to localities. State agency operations spending is projected to grow by only 1 percent in 2008-09, compared to an average of 5 percent annual growth over the previous five years. The vast majority of increased spending is reflected in local assistance payments such as school aid, property tax relief, and other expenditures.

Health Care: Enacting \$828 million of savings initiatives across all areas of health care spending. Over 75 percent of the savings originally proposed in the Executive Budget will be implemented. As a result of these actions, Medicaid spending, excluding the local cap, will increase by just 1.2 percent in 2008-09, with a growth rate of negative 0.4 percent over the past two years.

Local Assistance Spending: Reducing by 2 percent (\$270 million) funding for local assistance programs. School aid and most entitlement programs were excluded from this reduction.

Delaying STAR Expansion: Because of the fiscal difficulties facing the state, the planned expansion of Middle Class STAR and the accompanying New York City Personal Income Tax Credit, originally scheduled to take place in 2008-09, has been delayed by one year. The Personal Income Tax credit will also be discontinued for New York City residents with incomes over \$250,000. (Total STAR savings: \$354 million).

Revenue Actions: Enacting a number of revenue actions including: Closing unintended tax loopholes (\$429 million); increasing programmatically tailored fees (\$203 million); increasing cigarette taxes by \$1.25 per pack to \$2.75 to

fund health care investments (\$265 million); and requiring Internet retailers such as Amazon.com to collect sales tax which is already owed to the State (\$50 million). Certain Executive Budget revenue proposals were rejected.

While the Budget enacts significant spending reductions, it also funds several important investments critical for driving economic growth and improving the State's quality of life. They include:

Education: Increasing the state's investment in elementary and secondary education by \$1.75 billion. The vast majority of these funds are allocated through the Foundation Aid formula (\$1.2 billion), which was created last year to target state funding based on student need. Large Foundation Aid increases in those districts with struggling schools will continue to be tied to Contracts for Excellence, which have helped ensure that these resources are spent on strategies proven to improve academic achievement. Additionally, in recognition of the significant property tax burden many localities face, \$202 million in High Tax Aid is included in the Enacted Budget.

Health Care: Providing access to health care for all of New York's 400,000 uninsured children by fully funding the federal share of the expansion of Child Health Plus eligibility from 250 percent to 400 percent of the federal poverty level. The Budget also includes reimbursement reforms that shift Medicaid dollars from expensive hospital inpatient services to more cost-effective primary and preventive care. In addition, a new \$15.6 million "Doctors Across New York" program will encourage physicians to practice in rural and poor urban areas of the State.

Economic Development: Initiating a \$1.6 billion economic development capital plan, including a \$700 million Upstate Revitalization Fund to help create jobs and spur growth throughout Upstate. The major strategic components of the Fund were continued from the Executive Budget, which will be institutionalized in statute so future capital plans continue to fund Upstate revitalization in a strategic manner. The Budget also provides \$200 million for affordable housing that will benefit all regions throughout the State.

Higher Education: The Budget authorizes nearly \$6 billion of capital funding for SUNY and CUNY senior colleges and community colleges to fund the systems' highest priority strategic projects and critical needs. The Budget also authorizes the creation of an endowment for SUNY and CUNY that would provide a permanent source of recurring revenue, with the funding source to be determined in the future.

Member Profile

Member Profile: Viking Industries, Inc.

Year founded: 1973

Location: New Paltz, NY

Number of employees: 65

Principle product: Custom corrugated boxes and inner packaging

Website:

www.vikingindustries.net



some items they also ship it in twenty-four hours so it arrives in many cases the day after it was ordered.

Since 2003 the company has undergone a series of expansions at its New Paltz operation, nearly doubling the size of its factory and adding new equipment. Sales and productivity are up, so too is quality and customer satisfaction.

Much of the inner packaging Viking produces is used for the pharmaceutical and cosmetics trade. It is with these consumers in mind that Viking recently invested in some equipment to produce pads, assembled partitions and slotted pieces dust free. This capability is a real plus to many of their customers that are packaging sensitive products and need to certain high quality standards. Other end users of Vikings packaging products are specialty metals, medical and scientific instruments, glass, plastics and lighting industries.

The Croce family has been involved in the packaging industry for several generations and has used that collective experience to make Viking Industries, Inc. the successful company it is today. Viking has worked to find just the right niche in the packaging world, supplying others in the industry with specialty products. Viking has evolved with the times and in an age where "being green" is increasingly more important, their products not only come from a renewable resource, but are recyclable as well.



Viking Industries, Inc. facilities in New Paltz.

The roots of Viking Industries go back to the early 1900's and the F.D. Croce Company. The family started making wicker baskets and building wooden boxes for the local fruit farmers. Over time the company grew and soon was supplying apple farmers with corrugated cardboard boxes and the inner partitions that were inserted to keep the fruit from bruising during shipping. As the business grew it also became more specialized.

Today Viking Industries primarily supplies other companies within the packaging industry with specialty items. Richard Croce, Jr., the Customer Service Manager, explains "We are really more of a partner than a competitor. We sell our products to others within the industry."

It is Viking's service, quality and attention to detail that set them apart. Whereas with some companies it will take twenty-four hours to get a quote, Viking promises to have it for you in two hours. For

One of the great things about corrugated board is that it is recyclable. Viking set a goal of having a fifty five percent recovery rate by the year 2010, and they have reached that goal already. There is also one more tree planted for every tree harvested to produce the products, making this a decidedly "green" industry. Viking Industries is also a great contributor to the community.

Viking found just the right niche by selling exclusively to the corrugated industry and providing innovative, cost-effective solutions to even the most challenging packaging problems. In addition, their quick responsive service and flexibility has kept this company in the packaging business for over a century now.



Employees working at the Roda 1 and Roda 2 machines.

Viking Industries primarily supplies other companies within the packaging industry with specialty items. Richard Croce, Jr., the Customer Service Manager, explains "We are really more of a partner than a competitor. We sell our products to others within the industry."

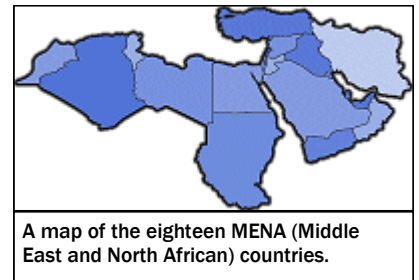
Foreign Trade

There have been many economic reforms and a shift toward globalization in the MENA area that are designed to attract U.S. companies. There is an increased allowance for foreign ownership of businesses, better laws to protect intellectual property, and a growing information technology sector.

Conducting Business in the Middle East and North Africa

The Middle East including North Africa is a business hot spot right now, with tremendous opportunities for U.S. businesses that offer the right products, services and connections. At the International Trade Seminar: "Conducting Business in the Middle East," there was information given on how profitable it can be to conduct trade in the MENA (Middle East and North African) countries, how to best go about conducting business and what pitfalls to watch out for. The SUNY New Paltz School of Business, The Westchester Export Assistance Center and the Council of Industry sponsored the seminar which featured Dr. Abdul Quader Skaikh, Senior International Economist and Regional Coordinator for Africa, Middle East and South Asia, U.S. Department of Commerce and Mr. Waleed El Zomor, Deputy Consul for Economic and Commercial Affairs, Consulate of Egypt as the guest speakers.

Dr. Skaikh began with an overview of the MENA and how the area is transforming its trade policies and restrictions. There are eighteen countries and 321 million people in the MENA area, many rich with petro dollars. Sixty percent of that population is under the age of thirty. Many of these men and women have attended some schooling in the U.S. and have brought the American consumer preferences back to the Middle East with them. This combined with the recent changes that have lowered tariffs and taxes on imports to the area make for a competitive market place for goods produced in the U.S.



A map of the eighteen MENA (Middle East and North African) countries.

There have been many economic reforms and a shift toward globalization in the MENA area that are designed to attract U.S. companies. There is an increased allowance for foreign ownership of businesses, better laws to protect intellectual property, and a growing information technology sector. It is important to note that even though Arabic and Hebrew are common languages spoken in the Middle East; all business is conducted in English. The growing sectors for U.S. companies aside from the oil, gas and power generation companies are aviation, water desalination, telecommunications, healthcare, and educational services with many American universities setting up satellite schools there.

There are difficulties to overcome in order to be successful doing business in the MENA area. One of the greatest challenges can be finding a reliable local partner in that specific region or country. The U.S. Department of Commerce can help with this and anyone trying to find a local partner should contact them for assistance. It is also important to understand the market and competition in the Middle East, to start with good planning and use aggressive due diligence and always follow up with contacts. As with doing trade in any foreign country knowing the difference in customs and culture will help reduce frustrations with any business dealings.

Mr. Waleed El Zamor focused specifically on Egypt which has the largest population out of the eighteen MENA countries. He explained how the financial climate in Egypt has changed a great deal in the last four or five years. The annual rate of inflation has for the most part decreased and their fiscal deficit is becoming more stable. The benefits of producing goods in Egypt are that there are cheaper labor and energy costs. The growth sectors for industry in Egypt are electronics, tourism, food processing, logistics, automotive, petrochemical and textiles.

There is help available for those that would like to conduct business in the MENA area of the world. The website export.gov, by the U.S. Department of Commerce, offers basic trade information as well as trade leads that are posted and updated. The Trade Information Center also offers help if you call 1-800-USA-TRADE. There is a website for the Export/Import Bank that can be very useful to those companies dealing with letters of credit, exim.gov.

CI Calendar—What's Ahead

May 7	<u>Certificate in Manufacturing Leadership: Worksite Training</u> - 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$185 per person/\$160 for 2 or more.
May 16	<u>Environment Health and Safety Sub-council Meeting: Tour of I84– I87 Interchange</u> - 8:00am at the I84–I87 Interchange in Newburgh, N.Y. Hard hat, safety vest, safety glasses and protective footwear is required.
May 21	<u>Certificate in Manufacturing Leadership: Best Practices and Continuous Improvement</u> - 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$185 per person/\$160 for 2 or more.
May 28	<u>Certificate in Manufacturing Leadership: Managing Diversity</u> - 9:00am – 4:30pm at Dutchess County Community College, Bowne Hall, Poughkeepsie, N.Y. Cost \$185 per person/\$160 for 2 or more.
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 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.

Energy Matters

Lower Rate Triggers for Electricity Aggregation Participants

Pepco Energy Services, the Council of Industry's Electricity Aggregation partner, reported that aggregation members who signed the "index with fixed trigger" contract option for 2008 reached their trigger price and were fixed at the \$.0999 per kWh trigger price (NYISO Zone G).

Given that the price for natural gas is well above post hurricane Katrina prices and the price of oil is setting records every week this is extremely good news for aggregation participants.

By way of comparison in 2005, the first year of the aggregation (and the year that Katrina sent energy markets into turmoil) the fixed price for aggregation members was \$.0728 per kWh. That year the index price averaged more \$.084 per kWh.

A handful of members of the aggregation locked in 2008 pricing even more favorable than the \$.0999 per kWh trigger. These companies took advantage of a dip in forward pricing that occurred in July of 2007 and locked in prices near \$.093 per kWh. Some have that price through 2009 as well.

Managing your energy risk is not an exact science. There are no sure things. However, by constantly monitoring the markets and by drawing on the collective wisdom and experience of the participants, the Council of Industry electricity aggregation can greatly improve your chances of securing consistently favorable pricing over the long term.

Manufacturers Electricity Aggregation An Opportunity to Manage Your Electricity Costs

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By constantly monitoring the markets and by drawing on the collective wisdom and experience of the participants, the Council of Industry electricity aggregation can greatly improve your chances of securing consistently favorable pricing over the long term.



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Manufacturing Matters

Happy Earth Day

by Steven F. Hayward - resident scholar, American Enterprise Institute, and author *Pacific Research*

More than 30 years ago political scientist Anthony Downs discerned what he called the "issue-attention cycle," a five-stage process by which the public and especially the news media grow alarmed over an issue, agitate for action, generate piles of scary headlines, and then begin to draw back as we come to recognize that the problem has been exaggerated or misconceived, and the price tag for action comes in. While Downs thought that the issue-attention cycle for the environment would last longer than most issues, it appears the mother-of-all-environmental scares – global warming – is following his model and is going to begin to fade like other environmental alarms of the past such as the population bomb and the "we're running out of everything" scares.

The current media and political blitz on Capitol Hill for government controls on energy production are the product of the panic felt by environmentalists who realize that opinion polls show the public is climbing off global warming bandwagon. The latest annual Gallup survey on the environment shows that only 37 percent of Americans say they worry about global warming "a great deal," down from 41 percent last year, and, moreover, about the same as a decade ago. Americans rank global warming far down the list of their main environmental concerns, behind air and water pollution, toxic waste, and the loss of open space. One or two more cold winters like the one we've just experienced and there will be a panic among the climate alarmists that even the media won't be able to ignore.

The irony in this year's political stampede stems from the fact that intense focus on environmental concerns (especially the United States) over the past decade has caused a significant diminution of environmental problems. It's hard to scare people any more. Air pollution is on its way to being eliminated entirely in the U.S. in about another 20 years. Levels of air pollution have fallen between 25 and 99 percent (depending on which pollutant you measure), with the nation's worst areas showing the most progress. For example, Los Angeles has gone from having nearly 200 high ozone days in the 1970s to less than 25 days a year today. Many areas of the Los Angeles basin are now smog-free year round.



Water pollution is more stubborn and harder to measure (and is being made worse in the Mississippi River basin by the government's crazy ethanol mandate), but here too there have been major improvements since the first Earth Day in 1970. The Great Lakes have been cleaned up, with many previously endangered species of birds now thriving. The Cuyahoga River in Cleveland doesn't catch fire any more. The amount of toxic chemicals used in American industry has fallen by 61 percent over the last 20 years, even as industrial output has grown. Forestland in the U.S. has been expanding at a rate of nearly 1 million acres a year over the last generation.

The world's worst environmental problems are in poor nations, precisely because they are poor. Economic growth turns out to be the prerequisite for environmental protection—a fact that most environmentalists now grudgingly admit. But even in the developing world there are signs of environmental improvement. The UN's latest global forest survey finds that the rate of deforestation in the poor parts of the world has fallen by half over the last decade; Asia has halted net deforestation entirely, and is now experiencing net re-forestation. Air pollution in India is leveling off, and may begin to decline, as it has over the last decade in Mexico City.

Most of these improvements are the result of economic growth and technological innovation. Regulations unquestionably force the issue, but usually at a very high cost to the economy and to property rights. More so than other federal agencies, the EPA specializes in billion dollar solutions to million dollar problems. This kind of bureaucratic environmentalism has about played itself out, and is decreasingly relevant to the local environmental problems that remain to be tackled.

Time magazine this week is running its sixth cover story about global warming, but one of these days the editors of Time and other publications are going to grow bored with yet another "green" issue, just as the media grew bored with the AIDS crisis, civil rights, the NASA space program, and other once front-burner issues. No doubt something else will come along (the threat of asteroids perhaps?), because it is the nature of the media and activist groups to find some new panic to ride. For the time being, ruin an environmentalist's day by celebrating Earth Day for the enormous progress it represents, not the panic they want you to feel.

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