Council of Industry Newsletter

February/ March 2014
Volume 18
Issue 2

Manufacturing Days in Albany 2014: Let Your Voice be Heard

Randy Wolken, President of the Manufacturers Alliance of New York encouraging last year's attendees to speak with their elected officials about legislation that will affect them.

The Manufacturers Alliance of New York (MANY), a statewide coalition of more than 1000 manufacturing firms will host Manufacturing Lobby Days on March 17th and 18th. The Council of Industry, a founding member of MANY is pleased to support and participate in this annual effort to promote a pro-growth agenda that will benefit all of the Empire State's manufacturers.

Over 85 Presidents and manufacturing executives from across the state participated in Manufacturing Days last year. This year's event will take place at the Hilton Albany and will feature an introduction from Manufacturer's Alliance President Randy Wolken, a 2014 public policy briefing, followed by guest speakers, a legislative panel and a panel of the Business Coalition culminating in a legislative reception in the evening. Day two of the event will consist of lobby visits with elected officials.

The goal of Manufacturing Days is to allow our economic sector the opportunity to rally together and relay to Albany our legislative agenda for 2014. "As we begin the legislative session, it is time for the Council of Industry and its affiliates with the Manufacturers Alliance to communicate to our legislators the manufacturing sector's key issues and concerns for the year ahead. Some of the key items that will be discussed include the 2014 state budget, the Governor's proposed tax breaks for manufacturers, economic development policies, workforce and educational programs." Said Harold King, Council of Industry Executive Vice President. This event will give attendees an opportunity to not only learn more about the Alliance's upcoming legislative agenda, but it also gives our members an opportunity to meet with their elected officials to brief them on their businesses and discuss any legislation that is important to Hudson Valley manufacturers.

Even if you have never visited your legislator before, it is important to start, and become involved! The voice of manufacturing needs to be heard and our elected officials need to know that manufacturing is still the engine the drives New York's economy. There is no doubt that other groups will be spending a lot of time and resources presenting their case in Albany. Don't miss you chance to help present our case!

We urge all of our members to take advantage of this important event. Please sign up and reserve your spot today! The fee to attend is $100 per person and includes all meals and materials. More information and online registration is available on our website at: http://www.councilofindustry.org/?p=1476 or Harold King 845.565.1355, hking@councilofindustry.org for more info.

Inside this Issue

Training and Education

Continuous Energy Improvement Workshop

When: Wednesday, April 2, 9 am - 5 pm
Where: Business Resource Center, SUNY Ulster, Ulster Avenue, Kingston, NY
Cost: $115 per person or $95 each for two or more from the same company
To Register: Online http://www.councilofindustry.org/?p=1492 Call (845) 565-1355
Or email Training@councilofindustry.org

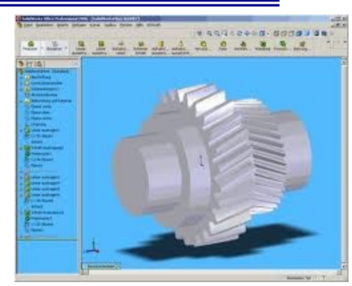
The Strategic Energy Group and the Council of Industry are offering a one- day training that covers the Continuous Energy Improvement (CEI) method, tools, and resources, and outlines the CEI process, expectations, and action items. This interactive workshop will include breakout working sessions and team building activities. Each participant will leave with foundational work completed as well as a detailed action plan in order to begin implementing CEI at their respective facility. The workshop will provide a venue for the participating organizations to identify program sponsorship, begin a draft Program Scope and Energy Policy, and create an awareness plan. This training is intended for participation by each organization's Plant Manager, Production Manager, Energy Manager, Operations Improvement Specialist, Maintenance and or Production Supervisor team members.

Each participant will leave with foundational work completed as well as a detailed action plan in order to begin implementing CEI at their respective facility.

Goals and Objectives

- Introduce elements of a Continuous Energy Improvement Process
- Draft Energy Program Scope & Energy Policy
- Identify Energy Team role and responsibilities
- Understand how to Identify Common Energy Wastes
- Appreciate Importance of Employee Engagement
- Begin work on a Strategic Plan
- Develop performance indicators to monitor and track energy

Strategic Energy Group has been implementing CEI since 2005 and now has over 100 Energy Teams in place across North America. SEG has worked with companies such as M&M Mars, Hershey Chocolate, Campbell's Soup, E&J Gallo Winery, Dole, Land O' Lakes, Sam Adams Brewery, Kunzler, and Nike on the Continuous Energy improvement process.



SolidWorks Essentials

Dates: April 8, 9, 10, and 15, 16
Time: 9:00 am- 5:00 pm
Location: Dutchess Community College, Poughkeepsie, NY
Cost: $375 per person
Register: Online http://www.councilofindustry.org/?p=1028, call (845) 565-1355 or e-mail training@councilofindustry.org.

This five day, hands on course, presented by CADimensions, is for those who wish to have a good fundamental understanding of SolidWorks. It will cover all the basics, from part modeling, creating assemblies, and general design drawings and detailing. The course is weighted towards part design. This course is supported by SUNY Workforce Development Grant funding for members of the Council of Industry. The regular cost per seat is $1500; your cost through this program is $375 per seat.

class is limited to 12 participants

Network & Council News

Tattoos, Piercings and Cross Dressing, Oh My! Just Some of the Topics Addressed at the January's HR Sub-council Meeting

Council of Industry member Greg Chartier gave a presentation to the Human Resources Sub-council based on information available in his new book – Which Law Did You Break Today? It is a guide to employment law that helps small business owners determine which laws they need to comply with, all relevant requirements, employer/employee rights, and where to obtain additional information. This presentation focused on those tricky situations that can come up when interviewing potential employees or when dealing with a "situation" that arises with existing employees concerning tattoos, piercings and cross dressing and gender identity.

Tattoos and body piercings have become more common place over the last two decades and while in certain areas of business they are accepted with out issue there are still circumstances where they are not appropriate. Chartier explained how to address tattoos in your employee manual and when an employer needs to make "reasonable accommodations" for employees sporting these forms of self expression.

A more ticklish subject was cross dressing and gender identity or what to do when an employee decides to come to work dressed as the opposite sex. This topic boils down to a medical statement from a doctor addressing a change in gender identity should be made available to employers prior to this situation.

Chartier discussed the more aggressive EEOC's new strategic enforcement plan and additional emerging and developing issues. Among these he discussed the enforcement of equal pay laws and preventing harassment. He also discussed the OFCCP's new regulations requiring federal contractors to establish hiring bench marks for disabled individuals and veterans and many other federal employment law topics.

Greg is a well-known management consultant, educator and speaker, and is the principle of The Office of Gregory J. Chartier and HRinfo4U, a human resources consulting firm established in 2002. His book is available from Amazon.com and Google Books.

Chartier explained how to address tattoos in your employee manual and when an employer needs to make "reasonable accommodations" for employees sporting these forms of self expression.

Welcome New Members:

Rhinebeck Bank - Personal and commercial banking products. Insurance and investments are also available through Brinckerhoff & Neuville and New Horizons Asset Management Group. Contact: Rich Kolosky

Welcome New Associate Members:

Rosen Seymour Shapss Martin & Company LLP – Accounting services. Contact: William Hughes

Personnel Matters

Inclement Weather

By Greg Chartier, HR Info 4U, a Council of Industry Associate member

You should have a policy that determines whether weather related absences of lateness will be considered unexcused or excused, what the proper call in procedures are and if lost time needs to be made up on another day.

What do you do if inclement weather closes your business or makes it difficult or impossible for employees to get to work? How do you handle absences or lateness due to inclement weather or poor road conditions? Do you have to pay employees if you send them home early because the weather is getting bad? These are common questions asked during a cold, snowy winter like the one we are experiencing.

Generally, employers decide how to handle weather related absences and lateness. You should have a policy that determines whether weather related absences of lateness will be considered unexcused or excused, what the proper call in procedures are and if lost time needs to be made up on another day.

Under the Fair Labor Standards Act, you don't need to pay non-exempt employees for time not worked. This applies whether your business completely shuts down or if it remains open but workers cannot get to work. You can choose to pay non-exempt employees under inclement weather conditions, typically when you send workers home or close completely. As an alternative, you can choose to allow or require employees to use earned or accrued time off to pay for these inclement weather days. Since these policies are beyond what is legally mandated, you should decide, in advance, how you will pay your employees under these circumstances.

However , the NYS DOL issued regulations that require private employers to pay an employee who reports to work on any day at least four hours (or the number of hours in the employee's regularly scheduled shift, if less than four) at minimum wage. If the business is closed and no one notified the employee, they are entitled to this minimum amount of "show-up pay."

Exempt employees, on the other hand, cannot have their salaries reduced "for absences occasioned by the employer." So, if you close your business due to bad weather for less than a full workweek, you must pay exempt employees their full salary for the week, even if you stay open but an exempt employee cannot report to work due to the weather. If an exempt employee misses an entire workday due to inclement weather when you are open for business, you may deduct one full-day absence from their paycheck but not partial day absences. In addition, if an exempt employee works from home on bad weather days, you may not deduct from their pay.

Adopting an inclement weather policy is a good practice as it will help you avoid last minute decisions about absences and pay issues'

- Who will decide when or if your business closes? Are there any factors to consider: a snow emergency, shut down of public transportation, etc.
- How will you communicate the closure? A call in hotline, text message, phone tree, radio announcement?
- Are there essential personnel that must report?
- Can employee work remotely if necessary and what are your expectations for that work?
- What is your call in procedure if an employee cannot make to work?
- If you shut down or send employees home will you pay non-exempt employees for lost time?
- May or must employees use vacation or other accrued time off for missed work due to inclement weather?

Preparing for inclement weather but establishing a policy and letting your employees know ahead of time will save you anxiety and maintain a good communication relationship with your employees.

HRinfo4u is a Human Resource consulting firm that uses technology and social media to provide relevant, real-time and practical information to smaller and mid-size firms. We want to make your organizational life easier so that you can be more effective; because you didn't choose Human Resources as your core competency; we did.

More Personnel Matters

Documents, documents, documents: What to keep, what to shred

By Tammy Binford, from HRHero.com

The hiring process has a way of creating a lot of paperwork. A single job opening can bring a flood of resumes, cover letters, and applications from a horde of hopefuls. Once the decision has been made, the question becomes what to do with the pile of documents the hiring process generates.

Recently, a group of attorneys focusing on employment law topics offered answers to the question of how long to keep documents on job candidates who were interviewed but not hired.

One year minimum

A few federal laws spell out how long to keep hiring documents. Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and the Age Discrimination in Employment Act (ADEA) stipulate that covered employers must keep hiring records for at least one year. Under the ADEA, documents should be kept at least two years if the employer knows the applicant or employee is at least 40 years old.

Title VII and the ADA cover employers with at least 15 employees, and the ADEA covers employers with 20 or more employees.

Government contractors also have record requirements. Executive Order 11246 requires contractors with fewer than 150 employees or a contract of at least $150,000 to retain hiring documents for at least one year. Contractors with 150 or more employees and a contract of $150,000 are required to keep records for two years.

Ryan B. Frazier, a shareholder with Kirton McConkie in Salt Lake City, Utah, reminds employers that collective bargaining agreements also may specify how long applications and other hiring documents are to be kept. He recommends keeping applications for at least three years. "That way, you can be sure that you have complied with your legal obligations," he said.

Reggie Gay, a shareholder with the McNair Law Firm's Greenville, South Carolina, office, advises keeping employment applications for candidates who are interviewed but not hired for at least two years from the date the hiring process is completed. "That means two years from the date the job is filled," he says. "By doing so, you will preserve documentation in case an applicant claims she was subjected to discrimination in the hiring process."

File more than applications

Gay also reminds employers to retain more than just applications. Resumes, interview notes, question outlines, and other materials prepared or used during the hiring process should be filed.

For individuals who are hired, Gay says employers should keep documents for the duration of their employment plus two years after their employment ends. "Also, be aware that if a discrimination or unlawful employment practice charge is filed against you, applications and other records must be kept until the matter is resolved," he says.

Jason Ritchie, a partner with Holland & Hart in Billings, Montana, also stresses that document retention requirements change when someone files a charge or claim of discrimination. In such a situation, employers "must retain all relevant job applications and hiring records until the final disposition of the complaint or the conclusion of any lawsuit," he says. "That means you must retain documents for not only the person who filed the complaint but also for all individuals who applied for the job at issue."

Karen Gwinn Clay, an attorney with The Kullman Firm in Jackson, Mississippi, says employers should retain documents to protect the organization against any discriminatory failure-to-hire or failure-to-promote claims. "In addition to keeping applications, you will also want to retain resumes, job postings, and any other documents related to the selection process," she says.

In addition to federal law requirements, employers need to be aware of any state laws affecting the hiring process and document retention.

Gay also reminds employers to retain more than just applications. Resumes, interview notes, question outlines, and other materials prepared or used during the hiring process should be filed.

Legislative Matters

If this proposed rule is implemented, it will significantly shorten the time period from the filing of a union representation petition to the date on which a representation election is held. This creates a distinct advantage for the union, because it gives the employer less opportunity to counteract a union campaign which likely began well before the filing of the representation petition.

Labor and Employment: National Labor Relations Board Reissues Proposed Rule on "Quickie" Elections

By Tyler T. Hendry, Bond, Schoeneck & King PLLC, Council of Industry Associate Member

On February 6, 2014, the National Labor Relations Board ("Board") reissued a proposed rule that would significantly shorten the timetable for union representation elections. This same proposed rule (which has become known as the "quickie" or "ambush" election rule) was initially issued by the Board on June 22, 2011. After the proposed rule was met with strong opposition from employer organizations, the Board issued a final rule on December 22, 2011, that was a scaled-down version of the proposed rule. The final rule became effective on April 30, 2012. However, on May 14, 2012, the U.S. District Court for the District of Columbia declared the final rule to be invalid because the Board lacked a quorum when it voted on the final rule. The Board appealed the decision, but recently announced that it was withdrawing its appeal.

As some had predicted, the Board's withdrawal of its appeal set the stage for its reissuance of the broader June 22, 2011, proposed rule. The proposed rule:

Establishes electronic filing of election petitions and other documents (intended to speed up processing);

Requires pre-election hearings to begin seven days after a petition is filed (currently, pre-election hearings can begin up to two weeks after a petition is filed);

Defers litigation of all "eligibility" issues if they involve less than 20% of the proposed bargaining unit until after the election (these issues would be decided post-election if needed);

Eliminates pre-election appeals of rulings by Board Regional Directors; and

Reduces the time in which an employer must provide an electronic list of eligible voters from seven days to two days.

If this proposed rule is implemented, it will significantly shorten the time period from the filing of a union representation petition to the date on which a representation election is held. This creates a distinct advantage for the union, because it gives the employer less opportunity to counteract a union campaign which likely began well before the filing of the representation petition.

Comments on the proposed rule from interested parties must be received on or before April 7, 2014. After the comment period, the Board may revise the proposed rule, or may issue it as a final rule. The Board's decision to reissue the original proposed rule that was issued on June 22, 2011 (rather than the final rule that was issued on December 22, 2011) seems to indicate that the Board may not be willing to make significant changes before a final rule is issued. However, it is likely that the final rule — in whatever form it is issued — will once again be challenged by employer organizations in federal court on the ground that the Board exceeded its rulemaking authority.

Healthcare Reform Update

ACA Shared Responsibility Penalties – Am I subject to (b) or not to (b)? That is the $3,000 question!

By Paul Hamburger, Proskauer, From IMA Update

As previously reported, the IRS released final regulations on the Affordable Care Act's (ACA) employer "shared responsibility" provisions, also known as the "pay-or-play" mandate. The final regulations include a number of important transition rules that are intended to phase in the pay-or-play penalties during 2015 and 2016. A number of questions have arisen as to how the penalty provisions work during the 2015 transition period for applicable large employers.

By way of background, the pay-or-play penalties consist of two parts: the "(a)" penalty, which generally is equal to the number of full-time employees the employer employed for the year (minus up to 30) multiplied by $2,000; and the "(b)" penalty, which is $3,000 per year times the number of full-time employees who obtain a premium tax credit on the exchanges, but not more than the "(a)" penalty amount. The "(a)" penalty could apply if an applicable large employer fails to offer coverage at all to a sufficient number of its full-time employees and dependents. The "(b)" penalty could apply if the employer does offer coverage, but that coverage is either unaffordable or does not provide "minimum value" as defined by regulation. Also, these penalties are only triggered if a full-time employee otherwise purchases coverage on a public insurance exchange and obtains a premium tax credit or subsidy for that coverage.

Under one of the new regulatory transition rules for 2015, an employer in the 50-99 full-time employee range will not face any pay-or-play penalties at all (neither the "(a)" nor the "(b)" penalty) as long as the employer can demonstrate that it has not reduced its workforce to qualify for transition relief and it maintains any previously-offered coverage.

Under a separate 2015 transition rule for employers of 100 or more full-time employees, an employer can avoid the "(a)" penalty for 2015 as long as it offers coverage to at least 70% of its full-time employees. After 2015, all large employers of 50 or more full-time employees can avoid the "(a)" penalty as long as they offer coverage to at least 95% of their full-time employees.

But what about the "(b)" penalty? Could an employer that offers coverage to at least 70% of its full-time employees in 2015 still be subject to the "(b)" penalty for 2015? If so, would that penalty apply only to the employees who are actually offered coverage that is either unaffordable or fails to provide minimum value? Or, does that "(b)" penalty also potentially apply to the group of employees who had no offer of coverage at all, i.e., those in the up to 30% group to whom coverage does not have to be offered under the transition rule?

Some have questioned whether large employers of 100 or more full-time employees subject to the new 2015 transition relief would be exposed to any penalties at all for 2015 with respect to those full-time employees to whom coverage is not offered as long as coverage is offered to at least 70% of the full-time employees.

As explained below, the preamble to the IRS final regulations, as well as the recently issued IRS FAQs on the shared responsibility payment rules, appear to answer this question by indicating that a "(b)" penalty could still apply.

After describing the new 2015 transition relief, the regulatory preamble states: "Applicable large employer members qualifying for the transition relief set forth in this section XV.D.7.a continue to be subject to a potential assessable payment under section 4980H(b)." The preamble does not say whether this potential application of the "(b)" penalty is only for the 70% or more full-time employees to whom coverage is offered or also to the group of employees to whom no coverage is offered.

Continued on page 15

Under one of the new regulatory transition rules for 2015, an employer in the 50-99 full-time employee range will not face any pay-or-play penalties at all (neither the "(a)" nor the "(b)" penalty) as long as the employer can demonstrate that it has not reduced its workforce to qualify for transition relief and it maintains any previously-offered coverage.

EHS Matters

Hazcom Training: Don't Panic

By Courtney Malveaux from EHS Today

The deadline for covered employers to train workers on the GHS formatting passed on Dec. 1, 2013. But if you fear roving bands of OSHA inspectors banging on doors to identify GHS scofflaws, don't hit the panic button. Just get started.

Now that OSHA has aligned the hazard communication (HazCom) standard with the United Nations' Globally Harmonized System of Classification and Labeling of Chemicals (GHS), the clock has run out on the deadline to train your employees on the new GHS formatting. HazCom still will be HazCom, but with a whole new look.

For one thing, HazCom will feature new label elements, including the definitions for hazards, the classification of mixtures and the format for safety data sheets (SDS), which will replace material safety data sheets (MSDS). Labels on shipped containers now will require signal words, hazard pictograms, hazard statements, precautionary statements and the name, address and telephone number of the chemical manufacturer, importer or other responsible party.

Labels on shipped containers now will require signal words, hazard pictograms, hazard statements, precautionary statements and the name, address and telephone number of the chemical manufacturer, importer or other responsible party.

Signal words alert users of the relative severity of a potential hazard. "Warning" indicates a less severe hazard; "Danger" alerts users to a more severe hazard. Pictograms identify the product the same way globally. Hazard statements describe the nature of the chemical, and precautionary statements describe the measures that should be taken to prevent adverse effects.

The deadline for covered employers to train employees on the GHS formatting passed on Dec. 1, 2013. But if you fear roving bands of OSHA inspectors banging on doors to identify GHS scofflaws, don't hit the panic button. Just get started.

Don't Panic

During my tenure as Virginia's labor commissioner, my colleagues and I did our best to keep perspective. In the big picture, our goal was not so much to find an idealized picture of workplace perfection behind every door; that's unrealistic. Instead, we tried to work with employers to identify, prevent and abate known hazards. And while safety is critical, we were not blind to other interests that compete for employers' time and attention.

Making the task more difficult, many conscientious employers, especially small and midsize employers, lack a full-time or even a part-time safety and health director. Many of these employers may be completely unaware of the new directive.

At least in the foreseeable future, OSHA likely will identify GHS violations incidentally. Often, they will be discovered in the course of a regularly scheduled inspection or when responding to a reported incident or hazard. You should be prepared at any time to provide documentation demonstrating that all covered employees have completed the HazCom training.

What Should You Do?

First of all, breathe. And get the training for your co-workers. Avoid or reduce the sting of a citation by showing good faith.

How? One quick and relatively inexpensive way is to schedule a brief training with a safety or health consultant.

You also can conduct your own training using videos and materials offered online, such as those provided by the National Safety Council. OSHA's website includes helpful information such as QuickCards, its GHS fact sheet, its Hazard Communications page and its brief on GHS-compliant labels and pictograms.

Whether you use a piece of string on your finger (which I do NOT recommend) or an electronic calendar, go ahead and note the other GHS deadlines on the horizon:

• June 1, 2015 – New label requirements and SDS must be in place. Distributors must be in compliance if they are not passing along manufacturer labels.

Continued on page 15

CI Calendar of Training and Events

Mar 5	**Certificate in Manufacturing Leadership: Problem Solving & Decision Making –**9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY
Mar 17,18	**Manufacturing Days in Albany** - Two full days at the Hilton Albany General. The first day will consist of afternoon breifings, guest speakers and a legislative reception. Day two will feature a continental breakfast and lobby visits. Cost $100 per person includes all meals and materials.
Mar 19	**Certificate in Manufacturing Leadership: Positive Motivation & Discipline–**9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY
Apr 2	**Certificate in Manufacturing Leadership: High Performance Teamwork–**9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY
Apr 2	**Continuous Energy Improvement Workshop**— 9am-5pm at the Business Resource Center in Kingston, NY. Cost: $115 per person or $95 each for two or more from the same company.
Apr 8,9,10, & 15,16	**Solidworks Essentials**— 9am—5pm at SUNY Dutchess, Poughkeepsie, NY. Cost: $375 per person. Class size limited to 12 seats.
Apr 9	**Certificate in Manufacturing Leadership: Effective Business Communication**–9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY
Apr 30	**Certificate in Manufacturing Leadership: Train the Trainer –**9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY

You can find more information on the courses and events listed in our calendar by going to our website—www.councilofindustry.org or if you are reading our electronic version just press Ctrl and click the course title.

Manufacturing Job Opportunities

If you have job openings and positions to fill:

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

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

The CI Newsletter is sponsored by ColorPage

Energy Matters

Defining important and frequently misunderstood energy terms – Part 1

By Chris Dubay, Senior Analyst, Market Intelligence, Direct Energy, a Council of Industry Associate Member

Buying electricity is complex enough without having to learn a new language. Unfortunately, industry terms and TLAs (three-lettered acronyms) are part of almost every conversation. I thought I would take a crack at explaining a few that are important and frequently misunderstood.

PLC = Peak Load Contribution

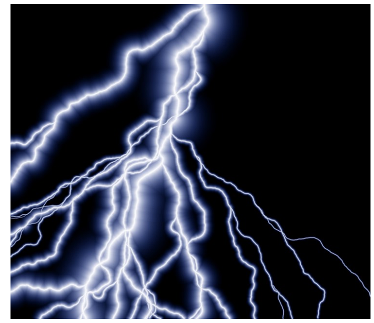
The PLC, in terms of electric capacity, represents an electricity consumer's maximum kilowatt demand, and is the amount of generating capacity based on the customer's account usage, which must be provided for system reliability. Your energy supplier uses your account's capacity PLC when determining your account's rate schedule and load profile, which sets its billing rate.

Why does this matter? Higher PLCs generally equate to higher billing rates, both, for energy from a retail supplier, and for your T&D (transmission and distribution) rates. In general, a lower PLC, compared to overall usage, will result in lower costs. It is in your best interest to manage your demand to try and reduce your PLC.

LMP = Locational Marginal Pricing (or LBMP = Locational-based Marginal Pricing)

LMP is the calculated price of electric energy at every location on a given electric system. It is a market-pricing approach used to manage the efficient use of the transmission system, especially when congestion occurs on the bulk power grid. LMP provides market participants a clear and accurate signal of the price of electricity at a node, load zone, reliability region, or a hub. These prices, in turn, reveal the value of locating new generation, upgrading transmission, or reducing electricity consumption- elements needed in a well-functioning market to alleviate constraints, increase competition, and improve the system's ability to meet power demand. An in-depth explanation of LMP can be found here:

http://www.iso-ne.com/nwsiss/grid_mkts/how_mkts_wrk/lmp/index-p1.html



Why does this matter? Besides contributing to market efficiency through transparency and as a price signal, any customers buying via an indexed product structure are buying energy at the LMP. LMP trends can also impact forward prices that drive fixed price offerings for future terms.

CONE = Cost of New Entry

In regard to the electric power grid, CONE is the cost to develop and bring into service any new piece of equipment. However, it is generally used in reference to building a new generating unit. This is critical for long-term ISO (independent system operator) planning to ensure reliable power supplies. It is also a factor in determining capacity prices in markets such as PJM (Pennsylvania, New Jersey, Maryland), NYISO (New York), and ISO-NE (New England). CONE is sometimes used as the price of capacity, in dollars per kilowatt-month that is needed to attract sufficient new capacity.

Why does this matter? CONE is a driver of long-term energy prices, especially as the grid evolves with the building of new natural gas plants to replace retiring coal plants.

CAPP = Central Appalachian Coal

CAPP refers to the spot prices for Central Appalachian coal, the most widely referenced prices for eastern coal in the United States. Coal producers, electric utilities, merchant generators, non-utility industrial coal users, and other energy marketers use CAPP spot prices as a benchmark in both physical and financial transactions for short-term and long-term contracts. Changes in CAPP spot prices can affect fuel procurement and power dispatch decisions when compared to costs of others fuels, such as natural gas.

Why does this matter? The economics of fuel switching for power generation have become a critical driver of both natural gas and electricity prices over recent years.

NIMBY = "Not in My Back Yard"

NIMBY is a derogatory or critical term characterizing the opposition by residents to a proposal for a new development because it is too close to them, often with the connotation that such residents believe that the developments are needed in society, but should be located further away. Projects likely to be opposed include, but are not limited to, fracking operations, oil or natural gas wells, wind turbines, power plants, cell phone network towers, landfills, prisons, or highways.

Continued on page 14

Manufacturing Matters

It's Not a Personality Transformation- Simply STOP the Irritating Behavior

By Grant Lewis, Executive Coach, Certified SCCP Coach, Full Contact Leadership Development, LLC

As I've explored in prior articles, both leadership and employee behavior is one of the most critical pieces in the workplace equation, having unparalleled impact on everything from morale and productivity to profitability and continued achievements. Identifying—and reversing—these behaviors is essential to the success of any organization, especially when those behaviors are rooted in a company's core leadership.

When addressing a leader's behavior, understandably, is a very sensitive subject, even for the well-trained human resources professional. However, it is important to understand that you are not asking for some a personality transformation—you're simply asking your leader to STOP the irritating behavior.

These managers are high-achievers with a history of success in their field and, likely, within the organization. But along the way a behavioral glitch has caused them to veer from a positive, forward-moving trajectory. Instead, an even minor irritant, when repeated over and over with no self-control or even self-awareness is negatively impacting the greater good—in short, this leader has developed a bad habit or trait and simply doesn't realize how others interpret it and, in turn, perceive them.

What does it look like? Virtually anything that derails or negatively impacts subordinates, peers or even superiors , from overly intense to overly passive, disrespectful and self-absorbed to emotionally and mentally trying or, in some cases, just plain rude and upsetting practices. No matter how it manifests if the end result is a demotivated, off-put, anxious or unproductive workforce, the behavior can be considered such a "glitch."

Often behavioral glitches are overlooked by an organization, typically for fear of driving out the leader in question, or causing unnecessary friction with this essential personnel. Ignoring the consequences that come from this bad behavior can be even more damaging—and if that's not enough, it's likely that the individual leader's effectiveness has and will continue to suffer over time. During this period subordinates, peers and team members will disengage and lose interest or leave—the company—leading to productivity dips and profitability slides.

Let's say you have identified that a key leader in the company has developed an irritating behavior. What are your options? You can ignore the problem and leave management to assume the risk for damage to morale and creating unhealthy workplace standards. Alternatively, you can take action by discussing behavioral concerns with the leader and offer up valuable resources so that he/she can self-direct his/her own path to change—while this has a fairly low percentage for success, for some this self-correcting is sufficient. A third option—internal or external coaching and support—typically yields stronger success metrics. Research shows that when candidates have an accountability partner—a coach—success is much greater than without. Success is even greater if your coach facilitates a proven process for change as well as having proactive participation from stakeholders and co-workers.

Any program that you select should also include reinforcing the leader's knowledge base as it relates to leadership standards and skills, and refining the practical applications of both leadership and soft skills.

Earlier I referred to a proven process for change. Let me introduce you to such a process that has been used has been adopted by countless companies and Fortune 200 corporations around the globe. The process is known as Stakeholder Centered Coaching (SCC). SCC is a program that is based upon the principles and practices of Marshall Goldsmith, a world authority in helping successful leaders get even better by achieving positive, lasting change in behavior: for themselves, their people and their teams.

Continued on page 14

Identifying—and reversing—these behaviors is essential to the success of any organization, especially when those behaviors are rooted in a company's core leadership.

More Manufacturing Matters

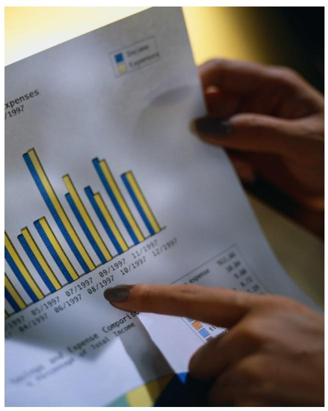
3 Steps for Manufacturers to Unlock the Value of Big Data

From TIBCO Spotfire's Business Intelligence Blog

Manufacturers are awash in data. But too often it's trapped in data silos, and it can't be leveraged to help organizations compete in an increasingly complex market landscape.

manufacturer 3 Steps for Manufacturers to Unlock the Value of Big DataManufacturers can use data as a key currency to unlock value to drive better efficiency and productivity, according to a recent research report from Aberdeen Research.

But they must take three key steps to leverage data to fuel the potential boost to the bottom line:



1. Study data management opportunities and challenges
2. Pinpoint data management capabilities
3. Prioritize data analysis initiatives

When tackling the challenges and opportunities presented by data, leading companies are 89% more likely than followers to see the need to unlock hidden information from big data rather than just controlling large data sets, according to Aberdeen.

"For example, possible supply chain interruption can be found in a supplier's performance management data, the same way that downtime due to equipment age or corrosion is hidden in asset performance management data," the report notes. "Additionally, data on non-conformance can help predict critical issues like loss of productivity and recalls."

This highlights the increasing importance of data analysis to help manufacturers access and act on hidden data.

Seven out of 10 companies in the study rely on dashboards and automatic reporting; however, leading companies are 25% more likely than followers to prioritize investments in analytics to support visual discovery, the report notes.

"Cloud and big data technologies help aggregate data sets across disparate functions to overcome data silos," according to the report. "Predictive analysis and attention to unstructured data, such as behaviors, helps identify emerging issues. Additionally, manufacturing companies can make a difference by identifying where they can get the most payback for their improvement efforts."

During the second step of unlocking actionable insight from data, leading companies understand that a data-driven culture isn't a competition between IT and business users.

Leaders see IT's job as managing and maintaining a sustainable data infrastructure. Moreover, leaders are 97% more likely than followers to assign importance to IT's role in data quality and integrity, the report notes.

"Leaders see managers' and operators' jobs as managing business opportunities," according to Aberdeen. "They provide context for how operations can take action against metrics and information."

Leading companies are 35% more likely than followers to provide users with proactive, problem-solving solutions they can use themselves to react to changes in metrics.

Finally, to be effective, manufacturers must align data analysis initiatives with the overarching business performance goals.

When prioritizing data initiatives, leading companies are:

- 34% more likely than followers to integrate data systems to support decisions
- 70% more likely than laggards to optimize processes when best practices are identified
- 54% more likely to define best practices within a data-driven framework
- 45% more likely to use big data and analytics to combine manufacturing data and to support the enterprise platform
- 41% more likely to train business users in data analysis and 26% more likely to embed analytics in process monitoring and dashboards
- 27% more likely than followers to increase operational awareness of risk, including by using predictive analytics to provide early warning of critical issues before they evolve to operational failure

"Unlocking the value of data is more than an idea – it is a 'must have' component of corporate information strategy," the report concludes. "By complementing perception, intuition or opinions with facts, manufacturers encourage feedback, questions that clarify strategies and employee participation. When managed effectively, manufacturing data can help companies grow and support the vision for a knowledgeable and more effective organization."

International Trade Matters

Majority of Americans Want the President and Congress to Work Together to Expand Trade Deal

From The National Association of Manufacturers

Americans from across the political spectrum believe that the President and Congress should work together to seek out new trade agreements, according to new polling data. The most effective way to ensure this collaboration is through swift passage of Trade Promotion Authority (TPA), a critical partnership between the President and Congress that facilitates negotiation and approval of trade agreements.

The poll, released by national survey firm McLaughlin & Associates and commissioned by the NAM, also shows that a vast majority of Americans support efforts to seek trade agreements and would be more likely to vote for congressional candidates who support these agreements.

According to the February poll of 1,000 likely voters:

- 80 percent believe that the President and Congress should work together to put in place new trade agreements;
- 76 percent support the United States seeking more trade agreements with additional countries; and
- 61 percent would be more likely to vote for a candidate for Congress who supports free trade agreements.

"These numbers confirm what manufacturers already know—Americans overwhelmingly support trade agreements that eliminate barriers, open new markets and create a fair playing field for American workers and businesses," said NAM Vice President of International Economic Affairs Linda Dempsey. "They also strongly support the President and Congress working together to accomplish these new deals. Through passage of TPA, we can ensure this critical collaboration."

The poll results reflect rising U.S. exports and the power of trade agreements to level the playing field and open new export opportunities abroad. U.S.-manufactured goods exports have more than doubled since TPA was last approved in 2002. The United States enjoys a more than $200 billion trade surplus with its 20 existing trade agreement partners. Those partners account for less than 10 percent of global GDP, but purchase nearly half of all U.S.-manufactured goods exports.

In October, the NAM Board of Directors passed a resolution calling on the Administration and Congress to act quickly to restore TPA so the United States can continue to open overseas markets and pursue the kind of robust trade policies and agreements that will help grow manufacturing. Every President since Franklin Roosevelt has had authority from Congress to strike trade deals that open overseas markets for manufacturers and workers.

Consumer Price Index for Jan. 2014

				Point	%	% Increase
Wage Earners & Clerical	**Jan. '13**	**Jan. '14**	**Dec. '13**	**Increase**	**Month**	**Year**
1967=100	674.73	685.22	682.64	2.58	0.4	1.6
1982-84= 100	226.52	230.04	229.17	0.87	0.4	1.6
All Urban Consumers						
1967=100	689.82	700.71	698.11	2.60	0.4	1.6
1982-84=100	230.28	233.92	233.05	0.87	0.4	1.6
Hudson Valley unemployment rate for December 2013 = 5.5%						

Continued from page 10

Energy Matters

Why does this matter? It is important to realize that, while solutions to market problems may seem straightforward and economical, there are other obstacles that may delay development of any solution.

Contango vs. Backwardation

Contango is a situation where the futures price (or forward price) of a commodity is higher than the expected spot, or current price. In a contango situation, hedgers (commodity producers and commodity users) or arbitrageurs/speculators (non-commercial investors) are willing to pay more now for a commodity at some point in the future than the actual expected price of the commodity at that time. This may be due to a willingness to pay a premium to ensure deliverability of the commodity in the future, rather than paying the costs of storage and carry costs of buying the commodity today. A market "in contango" may be due to expected changes in future supply and demand. For example, the expectation that the U.S. will eventually export natural gas via LNG (liquefied natural gas) facilities has contributed to a contango forward curve for natural gas.

The opposite market condition to contango is known as backwardation. A market is "in backwardation" when the futures price is below the expected future spot price for a particular commodity. This may occur during periods of extreme weather, when short-term prices can rise dramatically, and long-term prices are relatively unchanged.

Why does this matter? The shape of the forward curve may impact a strategic decision to lock in prices for short-term versus long-term.

Continued from page 11

Manufacturing Matters

SCC is a simple methodology that is neither time consuming nor difficult to understand. The method is based upon decades of working with successful leaders who were willing to do what it takes to becoming even better leaders in their future. Without question, anyone who follows SCC will improve in his/her leadership.

It is important to note that to achieve long-lasting change your candidate must be seriously committed to changing. Additionally, the process will require the courage to ask for help from stakeholders and to step outside their comfort zone when needed; humility to apologize for the past and discipline to focus on change over time.

The SCC process includes eight (8) steps: (1) commitment; (2) behavioral assessment; (3) selection of area needing improvement; (4) recruiting stakeholder assistance and suggestions; (5) action plan developed jointly with coach and manager; (6) plan executed; (7) monthly, 5 minute follow-up with stakeholders reviewing progress and soliciting addition suggestion; and (8) progress measurement in the 5th and 11th month of process.

The role of the coach is to "help you get better at one important behavior, as judged by a group of important people in the workplace, over a significant period of time." To achieve this a coach facilitates the process, provides guidance, support and focus, models and rehearses behaviors, offers tools for assessing behavior, provides tools for maintaining focus, offers strategies for executing behavioral changes and measures results.

Making change stick, as discussed in a previous article, depends on follow-up with stakeholders. Faithfully following up with stakeholders month after month has proven increase your candidates success exponentially.

In conclusion, it is important to note that long lasting behavior change occurs only when a leader undergoes improvement in a specified behavior and those around that leader both recognize and support that change. The SCC method provides the structure and guidance required to allow the leader to realize lasting change that will have a significant impact on the organization.

If you are interested in hearing more about the Stakeholders Centered Coaching model please email me at grlcoach@aol.com. Also, check out this You Tube video "Leading @Google", featuring Marshall Goldsmith. http://www.youtube.com/watch?v=3WBeGAAYWg8

Continued from page 7

Healthcare Reform Update

However, the separate IRS FAQs issued at the same time as the final regulations (in particular FAQ 37) answer this question by stating that an employer offering health coverage to at least 70% of its full-time employees and dependents of those employees could still be exposed to a “(b)” penalty if a full-time employee obtains a premium tax credit “because the employer did not offer coverage to that employee or because the coverage the employer offered that employee was either unaffordable … to the employee or did not provide minimum value ….” (Emphasis added.)

Similarly, once 2016 arrives and all applicable large employers are subject to the pay-or-play requirements, employers need to be mindful of the fact that as long as they offer coverage to 95% or more of their full-time employees (and dependents), they should not be subject to the “(a)” penalty. However, they could be subject to the “(b)” penalty if the coverage offered is not affordable or does not provide minimum value or the full-time employee triggering the penalty was in the up to 5% of full-time employees to whom coverage was not offered.

It remains to be seen whether the government will try to clarify these rules further in any future guidance.

Continued from page 8

EHS Matters

• Dec. 1, 2015 – Distributors may ship products under the old system. All labels must be updated by this date.

• June 1, 2016 – Employers must update alternative workplace labeling and hazard communication programs as necessary, and provide additional employee training for newly identified physical or health hazards. The transition period is complete and all manufacturers, distributors, importers and employers must be in compliance with the final standard.

So if you missed the Dec. 1 GHS training deadline, don’t panic. Just schedule the training for your employees. Let your demonstration of good faith be the angel by your side.

As these deadlines come and go, remind yourself that workplace safety and health compliance isn’t a destination; it’s a process – for all of us. Keep that in mind and you’ll stay ahead of the curve.

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