



Council of Industry Newsletter

October 2014
Volume 18
Issue 8

Annual Luncheon & Member/ Assoc. Member Expo to be Held on Nov. 7th

Join us and manufacturers from throughout the Hudson Valley on November 7th for the Council of Industry's Annual Luncheon and Member / Associate Member Expo. This year's keynote speaker will be E.J. McMahon, a senior fellow at the Manhattan Institute's Center for State and Local Leadership, who will discuss the current fiscal state of affairs for New York and the impact of the election results. The event will honor the recipients of the Certificate in Manufacturing Leadership which will be presented at the Luncheon by SUNY Dutchess Dean Virginia Stoeffel. The event will be held at the Dutchess Golf Club in Poughkeepsie, NY. Seats can be purchased online at www.councilofindustry.org, \$50 per person or \$350 for a table of eight. Sponsorship opportunities are available.



EJ McMahon spoke at the 2009 Luncheon & Expo and is returning for an encore appearance this November.

Keynote speaker, E.J. McMahon, is also president of the Empire Center for Public Policy, Inc., an independent think tank based in Albany, NY. McMahon writes on regional, state and local issues, recommending policy changes and reforms to increase economic growth. His recent work has included studies focused on New York's unsustainable public pension and retiree health care costs, the out-migration of New York residents to other states, and a "blueprint" for cutting and restructuring New York's deficit-ridden state budget. His articles have appeared in The Wall Street Journal, The New York Times, Barron's, the Public Interest, the New York Post, the New York Daily News, Newsday, and the New York Sun, among other publications. McMahon was the Council of Industry's keynote speaker in 2009 and we are thrilled to have him back again.



Brenda Schaffer, Vice President at Selux receives her Certificate in Manufacturing Leadership from Dean Stoeffel at last year's event.

Seventeen graduates of the Manufacturing Leadership program will be recognized at the Luncheon. SUNY Dutchess and the Council of Industry have been partners for over sixteen years in this constantly evolving program designed to provide skill sets for supervisors and managers. Ten full day classes cover topics from Fundamentals of Leadership to Problem Solving & Decision Making, to Making a Profit in Manufacturing. Virginia Stoeffel, Dean of Community Services and Special Programs at SUNY Dutchess will present the following individuals with their certificates: Matthew Mc Donald from Alcoa Fastening Systems; Don Sylvester from Ametek; Jason Chabut, Gerald Pulis, and Jay Reed, from Balchem Corporation; Jim Reap and Ben Rothwell, from MPI; Karen Chastain, Gary Dohrman, Fabian Juhr, Evelyn Rivera, and James Wilson, from Selux;

Marc Weiss from Stanfordville Machine & Mfg.; Tracy Diviesti, Arthur Grund, Brian Harris, and Sharon Roff, from Zumtobel Lighting.

Inside this Issue

2	Training & Education
3	Council News
4	Human Resource Matters
5	More Human Resource Matters
6	Legislative Matters
7	EHS Matters
8	More EHS Matters
9	CI Calendar
10	Energy Matters
11	Manufacturing Matters
12	Financial Matters
13	Member Benefits
13	Consumer Price Index

Continued on page 14



Training and Education

Over the last three years we have had almost 60 individuals complete this supervisor skills program and hundreds in the sixteen years since the program at SUNY Dutchess first started. This January the program will begin once again with Fundamentals of Leadership.

Seats Still Available for Regulatory Refresher Training

HAZWOPER

Date: Thursday, October 16, 2014* **Time:** 8:30 am—4:30 pm
Where: Chemprene, Beacon, NY **Instructor:** HRP Associates
Cost: \$120 per person or \$110 each for two or more from the same company.
To Register: Online <http://www.councilofindustry.org/course/hazwoper/>
or call (845) 565-1355 Or email Training@councilofindustry.org
Who should attend: An 8 hour HAZWOPER refresher is required every year for both the 40 hour and 24 hour HAZWOPER designations.

OSHA 10 Hour General Industry Training (new location)

Date: Thursday & Friday, October 30 & 31 , 2014* **Time:** 8:00 am - 1:00 pm
Where: EFCO Products, Poughkeepsie, NY **Instructor:** HRP Associates
Cost: \$120 per person or \$110 each for two or more from the same company.
To Register: Online <http://www.councilofindustry.org/course/rcra-hazardous-waste-training/>
or call (845) 565-1355 Or email Training@councilofindustry.org
Who should attend: OSHA recommends this training as an orientation to occupational safety and health. Workers will receive additional training on hazards specific to their job. Training will emphasize hazard identification, avoidance, control and prevention.

2015 Manufacturing Leadership Program

It is time to think about sending new supervisors or even long time ones to the Certificate in Manufacturing Leadership Program. Registration will open in early November. Over the last three years we have had almost 60 individuals complete this supervisor skills program and hundreds in the sixteen years since the program at SUNY Dutchess first started. This January the program will begin once again with Fundamentals of Leadership, followed with a class roughly every other week on topics such as:

- Best Practices & Continuous Improvement
- Human Resource Management Issues
- Problem Solving & Decision Making
- High Performance Teamwork
- Effective Business Communication
- Train the Trainer
- Making a Profit in Manufacturing
- Environment, Safety and Health Risk Management

Welcome New Members:

USHECO, Inc.— Custom Plastic Processing; Thermoforming, CNC Routing and Machining, Injection Molding and Line Bending Services. Ulster County. Contact: Lorene Schaeffer

Nerak Systems—Vertical Conveying Equipment and Conveyor Systems for Powder and Bulk Materials as well as Unit Loads or Packaged Items Dutchess County. Contact: Simone Wakefield

First Niagara Bank— Financial services. Contact: Beth Lawrence-lallis

And Associate Member:

National Auditing Services— An energy accounting and auditing firm specializing in utility bill auditing and cost recovery. Contact: Vince Tinto

Participants take a DiSC personality assessment and receive a comprehensive report on their leadership style that will be referenced during several of the classes. Using the DiSC profile helps build more effective working relationships based on an understanding of different behavioral styles. In addition employees learn a variety of skills that are helpful in dealing with co-workers and difficulties that may arise in the workplace.

Dates for this year’s program will be released next month and a brochure will be sent to Council members with course descriptions, times and program fees. Descriptions are also available on the Council of Industry website under Programs & Training.



Network & Council News

October HR Sub-council: Unemployment Insurance Reform

Presenter: Thom Kleiner from the New York State Department of Labor

When: Friday, October 24th, 8:30-10:00 am

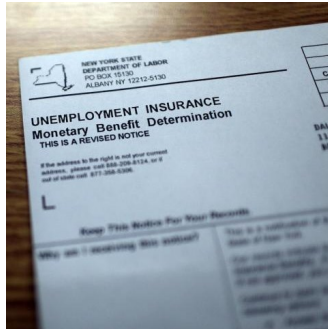
Where: The Council of Industry office, The Desmond Campus, MSMC, Newburgh, NY

Cost: None for members

Registration: online at: <http://www.councilofindustry.org/event-seminar/hr-sub-council-unemployment-insurance-reform/>

Or e-mail Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.

New York State has just passed unemployment insurance reform. The reform is expected to help employers pay off their debt. The reform is expected to reduce interest payments to the federal government, prevent fraud, bring equity among employers, and encourage claimants to return to work. Find out what's in the new reforms and how they will impact your business.



Thom Kleiner is the Hudson Valley Regional Representative for the Commissioner of the New York State Department of Labor. In this capacity, he represents and speaks for the Commissioner before representatives of labor, government, not-for-profits, academia, business and economic development agencies in the seven county lower Hudson Valley region. He particularly works with workforce development professionals, labor and businesses to promote emerging growth industries, including green jobs, biotech and healthcare services, and assists educational institutions to provide the skills and training necessary to prepare young people for jobs in these growth sectors.

November EHS Sub-council Meeting: Disaster Preparation - Are You Ready?

Presenter: Hank Spangler, American Red Cross' Health and Safety Services

When: Friday, November 14th, 8:30-10:00 am

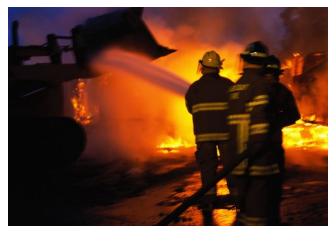
Where: Council of Industry Office, The Desmond Campus of MSMC, Newburgh

Cost: None for members

Registration: online at: <http://www.councilofindustry.org/council-networks/environmental-health-safety/> Or e-mail Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.

Hank is a member of the American Red Cross' Health and Safety Services Group here in the mid-Hudson Valley. The mission of this group is to raise the level of awareness regarding programs that can prepare individuals at all levels in an organization to deal with emergencies and disasters BEFORE they happen. The presentation on November 14 will go into the scope and structure of these programs which are designed to:

- Understand best practices to assure that individuals/families are as ready as possible to deal with potential disasters and emergencies: Get a Kit – Make a Plan – Be Informed.
- Raise the level of confidence and minimize reluctance of any individual to act in emergency situations.
- Gain the knowledge and skills necessary to help sustain life and to mitigate the pain and consequences of injury or sudden illness until professional medical help arrives.
- Recognize and care for life-threatening respiratory or cardiac emergencies in adults whether in the office, the home or the community.
- Perhaps, save a life.



The mission of this group is to raise the level of awareness regarding programs that can prepare individuals at all levels in an organization to deal with emergencies and disasters BEFORE they happen.

Human Resource Matters

Drug Use and the Changing Legal and Regulatory Environment

By Greg Chartier, PhD, SPHR, HR Info 4U, Council of Industry Associate Member

For employers, a fundamental question is: do we need to accommodate our employees' ability under state law to consume or possess marijuana for medical purposes?

On going changes in social, economic and regulatory pressures on drug use as well as changes in the legal and regulatory framework of drug use have created a confusing and contradictory environment for employers. These changes include:

- New state laws that address critical issues like the medical and recreational use of marijuana.
- The growing acceptance of marijuana use among Americans.
- The increasing awareness of prescription drug use and abuse, and
- A growing concern with employees reporting to work under the influence of substances that are difficult to detect.



Marijuana

Marijuana use and medical applications go back thousands of years with use as a salve, anti-nausea, diuretic and laxative common. By the 20th century, however, social attitudes toward marijuana shifted, leading to stricter regulation. In 1970, with the passage of the Controlled Substances Act, the use and sale of marijuana became a crime.

The law specifies that marijuana is a Schedule 1 drug, illegal to use and sell under federal law and identified as having no legitimate medical purpose. At the same time, a small but growing opposition argued that medical marijuana use in treating the symptoms and side effects of various diseases is valid and should be allowed.

Medical Marijuana

As of today, 24 states, including New York, permit the medical use of marijuana. Most of the laws allow the therapeutic use of marijuana by individuals with serious health conditions. There is a broad diversity in the language of the various laws, though and little commonality on issues such as:

- How much marijuana may be legally possessed.
- How a patient acquires the marijuana.
- The specific medical conditions treated.
- How a patient proves a medical marijuana exemption to law enforcement.

Although these states allow the medical use of marijuana, it is still a Schedule 1 drug under federal law, which means that physicians may not prescribe it, only recommend it to their patients as part of their therapeutic or palliative care.

Employee Protections

For employers, a fundamental question is: do we need to accommodate our employees' ability under state law to consume or possess marijuana for medical purposes? Luckily, the guidance, with a few exceptions, has been relatively clear and consistent. As long as marijuana is illegal under federal law, we can take action against an employee who tests positive for it.

Court decisions by courts in California, Washington, Oregon and Colorado as well as U.S. District Courts have supported the rights of an employer to take adverse action against a candidate or employee based on the presence of marijuana in a drug test, even if that person is permitted to use marijuana for medical reasons. Employers subject to DOT regulations have even greater freedom to take action against an employee.

Prescription Drugs

Like illegal drugs, prescription drug use can have an impact on accidents, job performance and other incidents as well as other challenges:

- Their mere presence does not constitute an offense.

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LENDER

Continued on page 14



More Human Resource Matters

What Recourse Does an Employer Have When an Ex-employee Steals?

By Tammy Binford, from HR Hero

Employee theft is an unpleasant reality in the workplace, but when the employee is still on the job, at least the employer can easily confront the worker. But what's an employer to do if the theft is discovered after the employee leaves the job and moves out of state? Does the errant worker get off scot-free?

Not necessarily, but recovering the theft may not be easy. Recently, a group of attorneys was asked what to do about an employee who left the company a month earlier and moved to another state. The employer found out too late that she had been using one of the company gas cards for her personal use for the last nine months of her employment. The employer wanted to know if there's any hope of recovering the money.

Options limited by employee's departure

"It's always startling to learn that an employee or former employee has committed fraud or stolen from your company," Jason S. Ritchie, an attorney with Holland & Hart LLP in Billings, Montana, says, adding that because the theft wasn't discovered until after the employee resigned, the employer can't take actions such as imposing discipline or getting her to agree to pay back the gas money through payroll deductions.

Ritchie advises first sending the former employee a letter demanding that she repay the money to avoid further legal consequences. "Give a specific date by which she must make the payment so you can decide on your next course of action if she ignores the letter," he says. "Have your attorney draft the demand letter to ensure compliance with all applicable laws."

Getting "the Law" involved

If that approach doesn't work, the employer has other options, one of which is to report the theft to police and have law enforcement prosecute her. Another option is to pursue a civil lawsuit. "This option will necessitate hiring an attorney to bring the case, and key players in your company will have to expend time and resources to gather evidence of the misconduct, such as the gas card bills and other financial records," Ritchie says.

"In addition, even if you secure a court judgment against the former employee, you may have trouble collecting on it," Ritchie says. "Consult with your legal counsel to discuss the situation and weigh all of your options."

Will recovery be worth the effort?

Jason R. Mau, an attorney with Greener Burke Shoemaker Oberrecht, P.A. in Boise, Idaho, also says the employer has both criminal and civil options available. "If an agreement was signed when she was issued the company gas card, it will go a long way toward helping you prevail on any civil action," he says.

But prevailing in court isn't the only consideration. "In the end, many factors could affect your ultimate decision about which

remedy you pursue," Mau says.

"On the one hand, you will want to send a message that employee theft will be dealt with harshly. On the other hand, you will need to take into consideration the likelihood of any recovery, the cost of litigation, and the type of information that may be disclosed in the course of litigation."



Jason E. Starling, an attorney with Porter Wright Morris & Arthur LLP in Columbus, Ohio, points out that the employer shouldn't deduct funds from the former employee's final paycheck unless the employer has an agreement with the employee authorizing the deduction. "That agreement should be in writing and should clearly encompass this type of deduction," he says.

Tips for dealing with theft

When employee theft is discovered, it's often while the perpetrator is still employed—when the employer has more options. Bryan Cokeley, an attorney with Steptoe & Johnson PLLC in Charleston, West Virginia, wrote on the subject for the September 2013 issue of West Virginia Employment Law Letter.

Cokeley advises an employer planning to confront the suspected employee to first gather evidence. "There's no rule that says you have to confront an employee before conducting an internal investigation," he wrote. "Indeed, you would be foolish to run to an employee with your suspicions before checking out the facts."

Cokeley also says to make sure to have a witness taking notes during the meeting with the suspected employee. "In the meeting, you have the option of stating the concern generally, laying out some of the evidence, or laying out all of the evidence," he wrote. "One tactic, borrowed from the traffic cop, is, 'Do you know why I have asked you to come to my office?'" In other words, you may be able to get the employee talking and obtain an admission ahead of the accusation."

Continued on page 15

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Legislative Matters

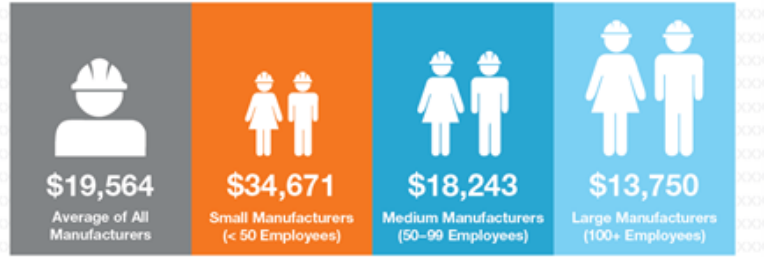
New NAM study shows small manufacturers face more than three times the burden of federal regulations compared to the average U.S. business.

Pay Up: Federal Regulations Cost U.S. Economy More Than \$2 Trillion Annually

From The National Association of Manufacturers

Complying with federal regulations costs Americans \$2.028 trillion in lost economic growth annually, or roughly equivalent to 12 percent of total GDP that could be invested back into our nation’s businesses, according to a new study commissioned by the National Association of Manufacturers (NAM).

Regulatory Compliance Costs per Employee per Year for Manufacturers, 2012 (in 2014 Dollars)



The study, conducted by economists Nicole V. and W. Mark Crain, concluded that manufacturing businesses face a disproportionate share of the burden, or \$19,564 per employee per year—nearly double what the average U.S. business pays to comply with federal rules. Small manufacturers pay more than three times as much as the average U.S. firm. That is \$34,671 per employee per year that small manufacturers could use to grow their businesses and create jobs.

“Manufacturers have long cited more and more complex regulations as a barrier to their growth, and today, we have new data demonstrating the true burdens shouldered by manufacturers throughout the supply chain, particularly the smallest firms, in complying with growing federal mandates,” said NAM President and CEO Jay Timmons. “Manufacturers rely on a stable, balanced and commonsense regulatory environment to create jobs and fuel economic growth. With growing regulatory compliance burdens, policymakers should be alarmed that our nation’s smallest manufacturers are being put at a competitive disadvantage within the global economy.”

The newly released NAM study builds on previous studies conducted by the Crains for the U.S. Small Business Administration’s Office of Advocacy. This study updates previous estimates of the cost to comply with federal regulations using new data sources and incorporates the findings of an extensive survey of NAM members that validate conclusions reached in the economic analysis. That survey, for instance, shows that manufacturers would invest more in their businesses and in their people if compliance costs were lessened.

“Our data continue to show that small businesses and manufacturers bear a disproportionate share of compliance costs,” said Nicole V. Crain.

“Overall, we hope that this analysis helps policymakers as they contemplate additional regulatory proposals,” added W. Mark Crain. “Small businesses and manufacturers most frequently identified regulatory issues as the top business challenge.”

“These costs don’t even include the more significant regulations heading our way, such as a new ozone standard from the Environmental Protection Agency that would be the most expensive regulation in U.S. history,” said Timmons. “These and other regulations mean an even larger burden on our country’s small manufacturers. Now is the time to return clear-eyed economic analysis to the policy process and ease the burden on job creators across the country.”

For more information, including the full study and the executive summary, visit www.nam.org/CostofRegulation.



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EHS Matters

OSHA Makes Significant Revisions to Injury and Illness Reporting Requirements

From Jackson Lewis LLP, a Council of Industry Associate Member



The Occupational Safety and Health Administration (OSHA) released its final rule for Occupational Injury and Illness Recording and Reporting Requirements, revising the requirements for reporting work-related hospitalizations and requiring the

reporting of all amputations and eye losses. Assistant Secretary of Labor for the Occupational Safety and Health Administration Dr. David Michaels cited the most recent Bureau of Labor Statistics (BLS) report that 4,405 workers were killed on the job in 2013 to emphasize the importance of this new rule.

The rule will become effective on January 1, 2015, for Federal Plan States. State Plan States will announce their dates independently, but are encouraged to meet the same deadline.

Establishments in certain low-hazard industries are partially exempt from routinely keeping OSHA injury and illness records. Under the new rule, there will be a shift in the number of industries which are partially exempt. Previous regulations used the Standard Industrial Classification (SIC) system to categorize industries; the new rule relies on the North American Industry Classification Systems (NAICS), along with injury and illness data from BLS from 2007 through 2009 to categorize an industry as low-hazard and exempt employers from OSHA recordkeeping requirements. As a result, employers in certain industries are newly required to keep OSHA injury and illness records. (A list of these new industries can be found at https://www.osha.gov/recordkeeping2014/reporting_industries.html.) The new rule maintains the exemption for any employer with 10 or fewer employees from the requirement to routinely keep records of worker injuries and illnesses.

The new rule expands the list of severe injuries that all OSHA-covered industries, regardless of size or partial exemption status, must report to OSHA. The current regulations require that when there is a fatality or three or more hospitalizations, the employer must inform OSHA within eight hours of the

occurrence. Under the new rule, a fatality (within 30 days of the work-related incident) must be reported within eight hours of the death. However, employers now will have a 24-hour window in which to report to OSHA all work-related inpatient hospitalizations that require care and treatment of a single employee, all amputations, and all losses of an eye that occur within 24 hours of the incident.

The methods of reporting available to the employer also have been expanded. In addition to calling OSHA's confidential number (1-800-321-OSHA) or contacting the local OSHA Area Office, employers will be able to go OSHA's (not-yet-available) web portal and make a report electronically.

OSHA has stated that not all reported incidents will lead to an inspection. The agency noted, however, that hospitalization and partial body loss are significant events that indicate serious hazards are likely to be present at a workplace and that an intervention is likely warranted to protect the other workers at the establishment. OSHA also said it sees a report as opening a dialog with the employer about the incident and that whether an investigation will be opened will be case-specific. OSHA is most interested in knowing what caused the injury, what the employer intends to do as a result of the incident, and putting the employer on notice of any hazards — all of which it expects will make an employer more likely to take the necessary steps to rectify the situation. Based on OSHA's conversation(s) with an employer, the agency indicated that it may decide to take no further action, put the employer straight into a consultation program, or conduct an inspection.

Most significant and troubling is that OSHA will make an employer's report of all fatalities, hospitalizations, amputations, or eye losses publicly available on the agency's website. OSHA stated that it believes that public disclosure will incentivize employers to ensure a safe workplace for their employees.

The new rule expands the list of severe injuries that all OSHA-covered industries, regardless of size or partial exemption status, must report to OSHA.

	<p>Greg Chartier, Ph.D., SPHR</p>
<ul style="list-style-type: none"> • Virtual Human Resources • HR Outsourcing • Talent Acquisition • HR Planning & Forecasting • Organizational Effect 	<p>Post Office Box 04 Maryknoll, NY 10545</p> <p>914.548.1689 914.941.1667 fax</p> <p>greg@HRinfo4U.com www.HRinfo4U.com</p>



More EHS Matters

NYSDEC Proposes Revisions to Petroleum Bulk Storage, Used Oil and Chemical Bulk Storage Regulations

By Virginia C. Robbins, Bond Schoeneck & King, PLLC, a Council of Industry Associate Member

The proposed PBS and CBS regulations combine existing State and federal underground storage tank (UST) requirements for certain USTs and above-ground storage tanks to make it easier to comply with equipment and handling standards needed to prevent contamination of soil, groundwater, surface water, and public water supplies.

The New York State Department of Environmental Conservation (DEC) recently announced the availability of draft revisions to the Petroleum Bulk Storage (PBS), Chemical Bulk Storage (CBS), and Used Oil regulations for public comment. DEC first released proposed changes to the PBS and CBS regulations for informal public comment in August 2013. In response to comments received, DEC modified the proposed rules, and the revised proposals reflecting stakeholder input are now available for public comment.

DEC is revising the regulations pertaining to the handling and storage of petroleum and hazardous substances to reflect changes in New York State and federal laws (6 NYCRR Part 613 of the PBS regulations; 6 NYCRR Subpart 374-2 of the Standards for the Management of Used Oil; 6 NYCRR section 370.1(e)(2) of the Hazardous Waste Management regulations; and 6 NYCRR Parts 596-599 of the CBS regulations).

The proposed PBS and CBS regulations combine existing State and federal underground storage tank (UST) requirements for certain USTs and above-ground storage tanks to make it easier to comply with equipment and handling standards needed to prevent contamination of soil, groundwater, surface water, and public water supplies. Subpart 374-2 and section 370.1(e)(2) are also being revised to reflect changes in federal regulations.

The draft revisions to the PBS regulations are intended to make them consistent with the federal regulations governing USTs. Other major changes in the PBS regulations include modifications of definitions to conform to the New York State 2008 statutory changes. For example, "facility" is now defined as the property on which the tanks are located, rather than the tanks themselves, as it appears in the current rules. As a result, the property owner, not the tank owner, is responsible for tank registration. The term "petroleum" has been expanded to include synthetic forms of certain oils, including lubricating, dielectric, insulating, hydraulic, and cutting oils.

The draft revisions to the CBS regulations clarify the reportable quantity (RQ) provision such that the RQ will apply to a release of a hazardous substance that occurs within any 24-hour period, making this provision consistent with federal release reporting requirements. The existing regulations require re-

porting anytime a RQ is exceeded, regardless of the length of time during which the release occurs. Additionally, the list of hazardous substances is being updated to be consistent with federal CERCLA regulations (40 CFR Part 302.4). Other proposed changes in the CBS regulations include requiring operator training for USTs (operators will have one year to complete initial training and testing) and certain delivery prohibitions.

These proposed changes represent Phase I of a two-phase rule making process. Phase II will occur once the U.S. Environmental Protection Agency finalizes its revisions to the federal regulations governing the storage of petroleum and hazardous substances in USTs (40 CFR Parts 280-281).

Comments will be accepted online at: <http://www.dec.nys-public-comments.com> or by mail to Russ Brauksieck at NYSDEC, Division of Environmental Remediation, 625 Broadway, Albany, NY 12233-7020 until November 4, 2014.

Information regarding the draft regulations and a DEC webinar on the topic can be found on the DEC's website: <http://www.dec.ny.gov/regulations/98151.html>.

Notice of Availability of Proposed New Program Policy for Operator Training

In addition to the proposed rule changes, DEC also announced the availability of a proposed new Program Policy which provides guidance on the training of operators of UST systems at PBS and CBS facilities in New York State. Under the proposed rule changes, training and subsequent assessment of knowledge (i.e., passing an exam) is required for operators at facilities with: (1) UST systems regulated under 6 NYCRR Subpart 613-2 for PBS facilities; or (2) UST systems regulated under 6 NYCRR Part 596 for CBS facilities which store a hazardous substance listed in 6 NYCRR Part 597.

Written comments regarding the proposed Program Policy will be accepted by mail to Jim Victor at NYSDEC, Division of Environmental Remediation, Bureau of Technical Support, 625 Broadway, Albany, New York 12233-7020 or by e-mail to derweb@dec.ny.gov until November 4, 2014.

The proposed Program Policy is available on DEC's website at: <http://www.dec.ny.gov/regulations/2387.html>.



CI Calendar of Training and Events

Oct 2	<u>RCRA Hazardous Waste Training</u> - 8:30am - 12:30pm. Location: Chemprene, Beacon, NY. Instructor: HRP Associates, Inc. Cost: \$120 single member, \$110 two or more from same company, \$145 single non-member. Date and location subject to change based on availability.
Oct 3	<u>Manufacturing Day</u> — Manufacturing Day provides manufacturers a unique opportunity to expand the knowledge about the great benefits of a career in manufacturing and demonstrate our industry's value to the U.S. economy. Companies can also use this day to educate their communities on the services and goods they manufacture. Find out more on our website www.councilofindustry.org
Oct 16	<u>HAZWOPER</u> —8:30am - 4:30pm, Location: Chemprene, Beacon, NY Instructor: HRP Associates, Inc. Cost: \$240 single member, \$220 two or more from same company, \$260 single non-member. Date and location subject to change based on availability.
Oct 24	<u>Human Resources Sub-council meeting: Unemployment Insurance Reform</u> — 8:30—10:00 am at the Council of Industry's office, The Desmond Campus, Newburgh, NY. No cost for members.
Oct 30,31	<u>OSHA 10 Hour for General Industry</u> - 8:00am - 1:00pm. Location: EFCO Products, Poughkeepsie, NY. Instructor: HRP Associates, Inc. Cost: \$120 single member, \$110 two or more from same company, \$145 single non-member. Date and location subject to change based on availability.
Nov 7	<u>Annual Luncheon & Member/ Associate Member Expo</u> — 11:30 am—2:00 pm at the Dutchess Golf Club in Poughkeepsie NY. Seats are \$50 per person or \$350 for a table of eight. Sponsorships are available.
Nov 14	<u>EHS Meeting: Disaster Preparation - Are You Ready?</u> —8:30—10:00 am at the Council of Industry's office, The Desmond Campus, Newburgh, NY. No cost for members.

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
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Energy Matters

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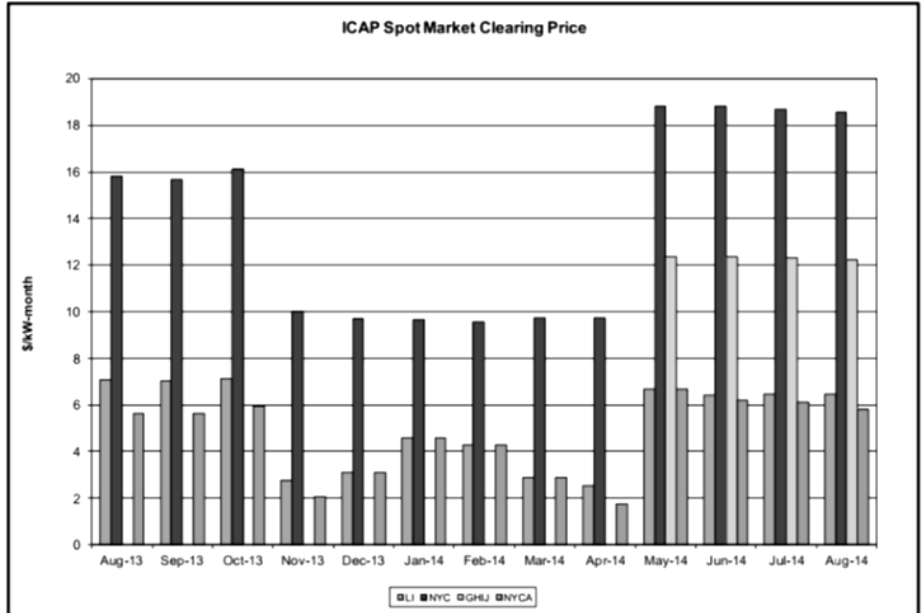
Complicating matters and adding significantly to the total cost of energy is the new lower Hudson Capacity Zone that is driving prices much higher in the Hudson Valley. The new zone isolates our region from the rest of the state creating an artificial scarcity of electricity driving prices higher.

Direct Energy and the Council of Industry partnered to present a webinar on trends in the energy markets September 25th. The webinar was the first of an ongoing series to keep our members up to date on energy markets so they can make informed procurement decisions.

During the webinar – in which there were nearly

100 participants - Tim Bigler, Senior Market Strategist for Direct Energy Business briefed participants on the underlying factors driving both the natural gas and electricity markets in the nation, the northeast and New York State. Mr. Bigler noted that we are still feeling the effects of the extremely cold winter earlier this year. Temperatures in January and February of 2014 were well below average and the extreme cold increased demand for both natural gas and electricity driving prices to record highs. In fact the New York ISO hit a new winter high in usage of 25,738 Megawatts on January 7th 2014. While we experienced a mild summer, long term weather forecasts for the coming winter are again pointing to a colder than average season keeping future prices higher. Mr. Bigler also noted transmission constraints are also driving prices higher in the eastern half of New York State and into New England as natural gas pipelines are not sufficient to meet demand in these regions.

Complicating matters and adding significantly to the total cost of energy is the new lower Hudson Capacity Zone that is driving prices much higher in the Hudson Valley. The new zone isolates our region from the rest of the state creating an artificial scarcity of electricity driving prices higher. As the nearby chart indicates the new capacity zone began in May 2014 and the \$ per KWh nearly doubled from just 6 to a little more than 12. This rate will be recalculated in October. Efforts are ongoing to eliminate the new zone and news that the Federal Energy Regulatory Commission has agreed to meet with representatives of the New York ISO to discuss the matter is welcome news but unlikely to affect the price in the near term.



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Manufacturing Matters

Six Trends That Will Affect This Year's Election

By Ned Monroe, Senior Vice President of External Relations, The National Association of Manufacturers

It's always risky (and is likely premature) to make election predictions, but with fewer than 50 days until Election Day, there are six clear national political trends that manufacturers should note.

1. Republicans are likely to gain seats in the senate. It is unclear if the GOP will gain the net six seats necessary to capture the majority, but look for Republican Senate seat wins in at least Montana, South Dakota and West Virginia. Another nine states have extremely competitive, too-close-to-call elections: Alaska, Arkansas, Georgia, Iowa, Kansas, Kentucky, Louisiana, North Carolina and Michigan. Republicans are defending seats in Georgia, Kansas and Kentucky, while Democrats defend the remaining six seats. So the Republicans have a numeric advantage—and they will win seats. The question is how many Senate seats they can pick up. Regardless, whichever party wins the majority will only do so narrowly, with perhaps just one or two seats.

2. There are several factors that make it highly likely that the GOP will pick up multiple seats in the House of Representatives on Election Day. Republicans currently hold a majority in the House, and race-by-race reviews of the competitive elections show that Republicans are positioned to gain. Moreover, historically the party of an incumbent president tends to lose seats in the midterm election, so Democrats are expected to suffer additional losses. Plus, post-redistricting, there are fewer marginal or swing districts that might elect new members of Congress. It is a safe bet that Republicans will make gains and continue to control the House.

3. Some partisan gridlock will continue in Congress for at least the next two years. Since President Obama will remain in the White House, and at least one chamber will be in Republican control, it will be difficult to broker large bipartisan coalitions to pass legislation. Regardless who controls the Senate, both party leaders—Sens. Harry

Reid (D-NV) and Mitch McConnell (R-KY)—will continue to forcefully promote their agendas.

4. The presidential election is just over two years away, so presidential politics will increasingly impact legislative action. I expect that former Secretary of State, Sen. and First Lady Hillary Clinton will run for president. She is already building a formidable organization. So as Clinton and others begin their quests for higher office, they will attempt to force their positions and issues to the forefront of public dialogue. Democrats' rhetoric will move left to court more liberal primary voters, and their talking points will focus on environmental, labor and regulatory issues. Republicans will move right to attract conservative primary voters and will run on an economic platform that sharply contrasts Democrats'. These agendas will impact the legislative process and media coverage of manu-

facturing issues. As we continue to advance the manufacturing legislative agenda, we must all consider the impact of presidential politics.

5. Jobs and the economy will remain a major issue. The economy is slowly rebounding, and unemployment is falling. But all sectors could be stronger, and much more needs to be done to grow jobs and improve the long-term health of our economy. Politicians and voters recognize this, and so a discussion of jobs will continue. This is manufacturers' opportunity to promote our NAM Growth Agenda to candidates and elected officials. When speaking to the media, candidates and manufacturers should focus on jobs.



**Continued
on page 15**



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Financial Matters

Profit from the Domestic Production Activities Deduction

From Vanacore, DeBenedictus, DiGiovanni & Weddell LLP, a Council of Industry Associate Member



For qualified businesses, the Domestic Production Activities Deduction (DPAD) is one of the most lucrative tax breaks manufacturers can claim today -- having doubled in value in 2007. It increased even more in 2010.

Although the deduction has been available since 2005, many companies are still not aware of its significant benefits. Designed to stimulate domestic production and create jobs in the United States, the DPAD is extremely complex. To maximize the tax savings, your business needs to plan ahead.

The Domestic Production Activities Deduction was passed as part of the American Job Creation Act of 2004.* It was intended to help offset the phased-out repeal of a tax break for U.S. importers called the extraterritorial income exclusion.

** The rules for this tax break are found in Section 199 of the Internal Revenue Code so it is sometimes called the Section 199 Deduction.*

To assist you in navigating the maze, here are some answers to frequently asked questions about the DPAD. Keep in mind that if your business did not claim the deduction in prior years, there may be an opportunity to file an amended return and claim a refund.

Q. Who is eligible for the Domestic Production Activities Deduction under Section 199?

A. The deduction provides tax savings to a much larger group of businesses than you might think.

Starting with the 2005 tax year, the DPAD became available to manufacturers who derive gross receipts from the lease, rental, license, sale, exchange, or other disposition of qualified production property.

Obviously, the deduction is available to traditional manufacturers of clothing, goods and food, as well as farmers. However, it can also be claimed by businesses engaged in a wide variety of other domestic production activities including: Certain real property construction, Music recordings and film production, Electricity, natural gas and water, Engineering and architecture services for the construction of real property, and Software development.

The deduction can be claimed by all types of business entities,

including C corporations, S corporations, limited liability companies, partnerships and

sole proprietorships. (Trusts, estates and their beneficiaries may also be able to benefit.)

Q. How is the deduction calculated?

A. Currently, the DPAD equals 9 percent of the lesser of: Taxable income derived from qualified production activities or Taxable income for the year (determined before the DPAD).

(For the 2005 and 2006 tax years, the percentage was 3 percent. For 2007 through 2009, it was 6 percent.)

However, the deduction cannot exceed 50 percent of W-2 wages allocable to domestic production gross receipts. (Therefore, if your business pays minimal wages, your deduction will be very small.)

Q. What do you mean by "income derived from qualified production activities"?

A. Detailed calculations are required to arrive at your company's Qualified Production Activities Income. Basically, you take your domestic production gross receipts and subtract:

- The cost of goods sold allocated to such gross receipts.
- Direct expenses allocated to such receipts.
- A ratable portion of other indirect expenses (such as certain overhead items).

Depending on the size of your company, there are special rules that could influence how the cost of goods sold and other expenses are allocated in calculating Qualified Production Activities Income. You may want to modify your accounting system to capture the information necessary to calculate and maximize your deduction.

Q. Can my business claim the deduction for products that are only partially manufactured in the United States?

A. Yes. To qualify, property must be manufactured, produced, grown or extracted in whole -- or in significant part -- in the United States. In general, you can meet the "significant part" test if: Based on all of the facts and circumstances, the manufacturing, production, growth, or extraction activity performed in the U.S. is substantial in nature, or

The labor and overhead costs incurred in the U.S. for the manufacture, production, growth, and extraction of the property are at least 20 percent of the total cost of goods sold or the total cost of the property produced.

Q. How can I find out if my business qualifies for the deduction?

A. This article explains the general guidelines that apply to the Domestic Production Activities Deduction. However, the details are complicated. In addition, special exceptions and other rules may apply to your particular business. Consult with your tax adviser to plan ahead to maximize the deduction.



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Workforce Matters

Manufacturing Day Events Planned Throughout the Hudson Valley

October 3rd is Manufacturing Day nationwide and the Council of Industry and our members are doing their part to raise awareness of the manufacturers located here in the Hudson Valley. Events started on Friday, September 26th when the Council of Industry and Hudson Valley Focus hosted a live on air roundtable discussion of manufacturing in our region from 7:00 – 9:00 am. Tom Sipos from Hudson Valley Live will be the host and facilitator. Participants included:

- Congressman Chris Gibson, NY-19
- Stephen Pomeroy Schatz Bearing, President
- Bruce Phipps – MPI, President
- Frank Falatyn – Fala Technologies, President
- Simone Wakefield – Nerak Systems, General Manager & CFO
- Donald Christian, SUNY New Paltz, President
- Donald Katt – SUNY Ulster, President
- Virginia Stoeffel – SUNY Dutchess Dean of Community Services
- Jonah Schenker – Hudson Valley P-Tech, Principal
- Mitchell Schron- Dutchess BOCES, Principal
- Harold King – Council of Industry Executive Vice President



The podcast of the show is available online on iHeart Radio at <http://www.iheart.com/live/newstalk-1450-wkip-5877/> under Hudson Valley Focus from 9/26. The hope is to raise awareness of the importance of manufacturing to the region, present an overview of the many programs that support the sector and highlight the career opportunities available.

In addition on Manufacturing Day, October 3rd, the Council of Industry is proud to support the following companies that are opening their doors to the public for tours and information sessions.

- Wolf-Tec - Kingston, NY
- Fair Rite Products - Wallkill, NY
- Sono-tek Corporation – Milton, NY
- Alcoa Fastening Systems – Kingston, NY
- Schatz Bearing Corp – Poughkeepsie, NY

Several of these companies have invited local school groups to come to their facilities to see their manufacturing processes and learn more about the potential careers available in manufacturing.

Consumer Price Index for August 2014

				Point	%	% Increase
Wage Earners & Clerical	Aug. '13	Aug. '14	Jul. '14	Increase	Month	Year
1967=100	686.17	697.11	698.58	-1.48	-0.2	1.6
1982-84= 100	230.36	234.03	234.53	-0.50	-0.2	1.6
All Urban Consumers						
1967=100	700.59	712.50	713.69	-1.19	-0.2	1.7
1982-84=100	233.88	237.85	238.25	-0.40	-0.2	1.7

Hudson Valley unemployment rate for August 2014 = 5.4%

Place Your Company's Ad Here

The Council of Industry's monthly newsletter has a mailing circulation of 250 manufacturers and an online circulation of hundreds more.

Contact Alison Butler at

abutler@councilofindustry.org

or call (845) 565-1355 for more information.

**Continued from front page
Annual Luncheon & Expo**

The Expo portion of the event is an excellent way for our members and associate members to showcase the products and services they provide. As part of the Council of Industry companies may participate in the Expo free of charge as long as they purchase two seats at the luncheon. Each year there is a fantastic display from insurance, finance and construction to lighting, circuit boards, and packaging. There is a limited space so companies interested in participating in the expo should register early.

Sponsorships make this event possible and are also an excellent way to show your support of Hudson Valley Manufacturing. There are two levels of sponsorship: Supporting sponsors receive a table for eight at the luncheon, are publicly thanked at the event, are mentioned in two CI Newsletter articles and their logo will appear in the event program. Major Sponsors receive all the benefits of supporting sponsors in addition to hanging their banner at the event and having their logo on the program cover. For more information contact Alison Butler at abutler@councilofindustry.org or call (845) 565-1355.



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**Continued from page 4
Personnel Matters**

- Many of these employees are protected under the Americans with Disabilities Act.
- Workers can claim privacy of their health information and not share details of their drug use with employers.

Time for a Review

In light of the recent New York State decision to allow medical marijuana, we should review our policies:

Step one:

- Establish if your policy is adequate
- Create a list of positions to determine safety risks
- Clarify if your organization falls under federal regulations

Step two:

- Engage your counsel

- Work with a medical review officer to understand the drug testing process
- Establish a methodology for reviewing and updating the policy

Step three:

- Determine if your organization is comfortable with exceptions to the policy
- Establish how you will determine “proof”
- Include specific language as to use, possession or influence in the workplace

Having a clear policy and procedure in place will ensure that when problems develop, you will be prepared to handle them.

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Continued from page 11 Manufacturing Matters

Manufacturers need to provide specifics, such as how tax reform will help smaller manufacturers create and retain jobs, and how education reforms could repair the skills gap that leaves more than 600,000 manufacturing jobs unfilled, while many Americans remain unemployed. You'll help keep the economy in the news cycle and promote our Growth Agenda as the solution.

6. Voter participation and turnout will be low on November 4, so employee education remains critical. Since 2014 is not a presidential election year, fewer voters will go to the polls. Consider this: In 2012, a presidential election year, there were 112.6 million private-sector employees in the United States, but only 72.5 million of them were registered to vote. Don't let your company's employees be among the missing 40 million in the critical midterm elections this year!

Elections will take place in a handful of weeks. Your participation and engagement can help decide who wins elections. You can help break partisan gridlock in Washington and help pass pro-business policies that will help protect and grow manufacturing in America. But you must participate in the elections and encourage your employees to do the same.

The NAM has several election programs for manufacturers, your employees and even candidates. Please take the time now to learn more about how you can become more engaged in voter registration and employee education activities.

Continued from page 5 More Personnel Matters

When theft is suspected, the employer needs to decide whether to handle the investigation in house or go with a private investigator. "A technique the private investigator can bring to the table is surveillance—either in person or with technology," Cokeley wrote.

It's important to make sure state laws regulating surveillance are adhered to. "Also, if you have a unionized shop, be aware that installing surveillance cameras, even to investigate theft, can be a mandatory subject of bargaining," Cokeley wrote.

Also, keep notes. "Record how and when you first became aware of the issue," Cokeley wrote. "If you received an anonymous tip, capture the substance of the tip. If appropriate, take and retain statements from the suspect's coworkers. You may share with the employee the substance of the information you have gathered, but you need not give him your documentation.

Cokeley points out, though, that if the issue eventually turns into a lawsuit, all documentation may end up being turned over during the pretrial exchange of evidence.

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