



# Council of Industry Newsletter

September 2014

Volume 18

Issue 7

## A Beautiful Day for the Council Golf Outing

The Council of Industry's 19th Annual Golf Outing enjoyed gorgeous weather for a delightful day of golf and networking. Golfers enjoyed a delicious picnic lunch sponsored by Direct Energy before taking to the greens. With over sixty golfers in attendance the course buzzed with energy and excitement. The competition was fierce. The 2014 Council Cup Champions are team Jabil Circuit Inc.: Stu Lake, Fred News-wanger, Mike Fisher, Dan Bushel. The second place team of Pawling Engineered Products, Inc. (Craig Busby, John Rickert, Bill McGuinness, and Nick Gent) and third place foursome of Rich Kolosky, Phil Bronzi ( both from Rhinebeck Bank), Frank Giordano, Brian Powers ( both from Judelson Giordano & Siegel, CPA, PC) did a tremendous job and will hopefully be back next year to challenge for the cup.



Congratulations to the foursome from Jabil Circuit Inc. winners of the coveted Council Cup.



Thank you to all of our prize and tee sponsors and to our Lunch Sponsor Direct Energy and Hole-in-one sponsor The Reis Group.

The infamous Yellow Ball game was won by last year's Council Cup holders, Pawling Corp. with golfers: Jason Smith, John Muro, Jon Olsen, and Walter Hauser. This year seven yellow balls made it through, possibly an all-time high completion rate. The second place yellow ball team was from Package Pavement and Montfort and the third place team was the foursome of Gary Schlegel, Carl Schlegel, Mark Kastner and Ronald Aberizk. This game's results were very close and congratulations goes out to all that finished with their yellow ball.

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## Host a Manufacturing Day Event on October 3<sup>rd</sup>!

The Council of Industry and the National Association of Manufacturers (NAM) is pleased to once again support Manufacturing Day 2014 on Friday, October 3, and we need the participation and support of partners like you for this event to be a success!

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. Whether through a plant tour for community partners or an open meeting with your company's leadership and elected officials, Manufacturing Day is a great way for you to increase public awareness of the manufacturing industry.

Can we count on you to host an official event on Friday, October 3? Visit [www.mfgday.com](http://www.mfgday.com) to register your company's Manufacturing Day event today!

For More Information, Please Contact: Jeanine Arnett, Director, Public Affairs and Grassroots Advocacy at [jarnett@nam.org](mailto:jarnett@nam.org) or (202) 637-3121.



# Training and Education

For more information or to register go to <http://www.councilofindustry.org/training/course-list/> and select Regulatory Training or contact Alison Butler at [training@councilofindustry.org](mailto:training@councilofindustry.org) or call (845) 565-1355.

## Regulatory Refresher Training this Fall DOT Hazardous Materials Training

**Date:** Thursday, September 18, 2014\* **Time:** 8:30 am - 12:30 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/dot-hazardous-materials-training/> or call (845) 565-1355 Or email [Training@councilofindustry.org](mailto:Training@councilofindustry.org)

**Who should attend:** DOT regulation 49 CFR 172.700 requires that all "hazmat employees" be trained or re-trained every 3 years.

"Hazmat employees" include anyone who labels, marks, loads/unloads, prepares shipping papers or transports hazardous materials by road, water, rail or air.



## RCRA Hazardous Waste Training

**Date:** Thursday, October 2, 2014\* **Time:** 8:30 am - 12:30 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/rcra-hazardous-waste-training/> or call (845) 565-1355 Or email [Training@councilofindustry.org](mailto:Training@councilofindustry.org)

**Who should attend:** Federal and State regulation require that individuals at facilities classified as Large Quantity Generators of hazardous waste (>1,000 kg/month) involved with the management and handling of hazardous waste (i.e. label drums, transport, etc.) must receive RCRA hazardous waste training on an annual basis.

## 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](mailto: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

**Date:** Thursday, October 2, 2014\* **Time:** 8:30 am - 12:30 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/rcra-hazardous-waste-training/> or call (845) 565-1355 Or email [Training@councilofindustry.org](mailto: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.

### Welcome New Members:

**Fleurchem**— produces a full range of natural isolates, synthetic chemicals & specialties, essential oils and flavors. Additionally, the company performs toll manufacturing, as well as custom chemical synthesis for a wide range of clients. Orange County. Contact: Rochele Gluck and Lea Backenroth.

**Custom Machining**— precision machining and fabricating of stainless steel, exotic metals, brass, bronze, aluminum and plastics. Orange County. Contact: Joe Landolf.

**Noble Gas Solutions**— Gas & hard goods supplier to upstate New York. Ulster County. Contact: Pat O'Donnell

### And Associate Member:

**Olde Hudson**— Specialty foods and gift baskets. Columbia County. Contact: Dena Moran.



## 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

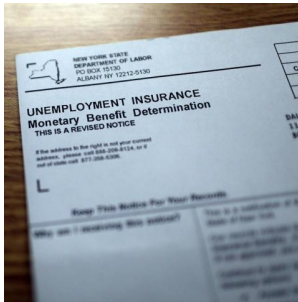
**Where:** The Council of Industry office, The Desmond Campus, MSMC, Newburgh, NY

**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](mailto: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.

### September EHS Sub-council Meeting: Proactive Incident Management

**Presenter:** Ron Coons, InPhinite Potential

**When:** Friday, September 19th, 8:30-10:00 am

**Where:** Rose & Kiernan, Fishkill, NY

**Cost:** None for members

**Registration:** online at: <http://www.councilofindustry.org/event-seminar/ehs-sub-council-meeting-proactive-incident-management/>

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

A lot goes into an effective safety and health program. And with so much to keep track of in order to stay compliant with OSHA regulations, most people in charge of safety never seem to find the time to stop and understand the benefits of taking a proactive approach to incident management.

This presentation will discuss how achieving a zero-accident culture can only be reached when you move from a position of reactivity to one that is proactive when it comes to managing incidents within your facility.

Attendees will walk away from this presentation with the following information:

- What analytical information to capture after an incident occurs and how it can improve your programs future success
- Techniques that will allow you to foresee incidents before they happen
- What types of corrective actions will give you the biggest bang for your buck
- How to easily and effectively create an incident tracking system in your facility
- Why taking a proactive approach to incident management is critical to building a world-class safety program.



*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.*



## Human Resource Matters

### An Old Idea Whose Time Has Come (Finally)

By Dr. Jim Kimple, Council of Industry TAACCCT Grant Coordinator

*Our Mid-Hudson colleges are engaged with industry. Curricula reflect manufacturers' needs, and Council of Industry members are committed to helping colleges and k-12 educators develop programs to prepare the next generation of industrial workers.*

It may be a surprise that the idea of a certified workforce is at least 35 years old. In 1990, The National Center on Education and the Economy published "America's Choice: High Skills or Low Wages. Their report called for technical and professional education amid alerts that America faced a skills shortage. At the same time, industry analysts predicted accelerating manufacturing losses to emerging, low wage economies. As manufacturers implemented new competitive efforts like Lean Manufacturing, Total Quality, and Six Sigma, they looked around and found the workforce wanting. As America's Choice put it, there was no problem if we assumed a low-wage model, because employers only wanted good attitude and a good work ethic. But if America wanted a solid middle class, high living standards, accelerating productivity and a flexible workforce, the problem was critical. Calls for a new systematic approach to workforce preparation—for standardized, certified skill sets, for cooperation between industry and education—went unheeded. Early programs languished. Manufacturing headed for cheaper, off shore labor; and workforce development became an afterthought. Our strategy was set by default, not policy.

Back to the future: The current focus on STEM (Science, Technology, Engineering, and Math) education reflects renewed awareness that a competitive economy requires rigorous skills as well as personal attributes. But we still need a robust system for producing that workforce, and that system is

emerging regionally with the various initiatives Like TAACCCT, P-Tech, CGAM and the rest. The CPT (Certified Production Technician) effort is the key link. Our Mid-Hudson colleges are engaged with industry. Curricula reflect manufacturers' needs, and Council of Industry members are committed to helping colleges and k-12 educators develop programs to prepare the next generation of industrial workers. Momentum has accelerated in the last month. SUNY Ulster, SUNY Orange, joined SUNY Dutchess in implementing education and training leading to certifications in manufacturing and related fields. These offerings have grown out of the partnership between the Mid-Hudson SUNY county colleges and the Council of industry. Some Council members have committed to preferential hiring of holders of the CPT (Certified Production Technicians) certification. And now Ulster County has upped the ante by implementing a program to guarantee employment to Ulster County residents graduating from the recently announced "Ulster County Guaranteed Jobs Program". This initiative indicates how thinking has changed about the relationship of workforce development and sustainable economic health.

The program recognizes that our efforts to match job seekers and openings have fallen short. Preparing and training workers have often taken what Dave Kohn of SUNY Orange calls a "train and pray" approach—offer job seekers 'readiness' training and some skills while hoping that jobs and seekers would fit. In announcing the Ulster program, County Executive Hein recognized the difference "The way the Guaranteed Jobs Program works is [that] selected participants will complete a 3-week Work Readiness component followed by a one week Closed Job Fair.



CPT trainees work on computer training modules at SUNY Dutchess.

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LENDER

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## More Human Resource Matters

### Unemployment Insurance Interest Assessment Surcharges (IAS)

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

We are pleased to report to you, as a result of significant legislative reform and economic development policies advanced by Governor Andrew Cuomo, all businesses in NY State will receive more than a 50% decrease in Unemployment Insurance Interest Assessments - the first ever decrease of this size. Specifically, each year, employers pay Unemployment Insurance Interest Assessment Surcharges (IAS), which relate to loans employers took out from the federal government during the recession to pay unemployment claims. The 2014 IAS rate has decreased from .15% to .07%, bringing the maximum amount that most employers will be assessed down from \$12.75 per employee in 2013 to \$5.95 per employee this year.

Should you receive a letter from the New York State Department of Labor regarding the Unemployment Insurance Interest Assessments surcharge, below is a link to the website which will address any further questions you may have.



Interest Assessment Surcharge (IAS): Frequently Asked Questions from DOL.NY.GOV

**Q: What is the Interest Assessment Surcharge and why is it being assessed?**

A: Due to the economic downturn in 2008 and 2009, the Unemployment Insurance Trust Fund has not had enough funds to pay for claims filed by unemployed workers, and as a result, New York State borrowed \$3.5 billion from the federal government, on behalf of employers, to cover the difference. The debt from these federal loans is being reduced at a rapid rate due to the Governor's Unemployment Insurance Reform legislation, economic development policies, and the improved economy. By the end of 2014, the balance of the loan is expected to be just one-half of what was owed prior to the Reform. While the loan balance is decreasing at a fast rate, State law requires that New York State employers pay the interest on the federal loan - the Interest Assessment Surcharge (IAS). New York State employers owe the federal government \$61 million in interest for 2014, which must be paid by September 30, 2014. The maximum amount that most employers will be assessed in 2014 is \$5.95 per employee compared to \$12.75 per employee in 2013 - more than a 50% reduction.

As a result of the new law, the IAS is less than it otherwise would be, and will end two years sooner, saving New York State employers approximately \$200 million in IAS payments. Over a ten year period, the reform legislation is estimated to save New York State employers \$400 million, and will make the unemployment insurance system sustainable and self-correcting for

the first time in State history.

**Q: What happens if the interest is not paid to the federal government?**

A: Failure to pay the interest due can have severe consequences. Employers could see an immediate increase in their current federal regular FUTA rate of 1.5% to 5.4%, an increase of more than double the current amount due from each employer in their federal unemployment, (FUTA) next year. The federal government could also withhold funds needed to administer New York State's Unemployment Insurance Program for failing to make these interest payments.

**Q: What is the section of the law which imposes the IAS?**

A: Article 18, Title 6, Section 581-d of the New York State Labor Law requires the State to assess employers for interest owed to the federal government.

This law can be found at [www.labor.ny.gov](http://www.labor.ny.gov).

**Q: Are all employers required to pay the IAS?**

A: All employers who pay unemployment insurance (UI) contributions to the State are liable for the IAS.

**Q: How was my IAS calculated?**

A: Your IAS was calculated using the wages subject to contributions for the current payroll year (the fourth quarter of 2012 through the third quarter of 2013) and multiplying those wages by the IAS rate of .07%. As mentioned above, the maximum amount that most employers will be assessed is \$5.95 per employee compared to \$12.75 per employee in 2013. The IAS rate for 2014 was reduced over 50%.

**Q: Will my UI experience rating increase as a result of IAS?**

A: No. The IAS rate does not affect an employer's experience rating.

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## Legislative Matters

*"This rule would undermine our work to expand manufacturing in the United States, making it almost impossible to increase operations, create new jobs or keep pace internationally," said NAM President and CEO Jay Timmons.*

### New EPA Ozone Regulations Could Be Costliest in U.S. History

*From The National Association of Manufacturers*

A new study by NERA Economic Consulting and commissioned by the National Association of Manufacturers (NAM) reveals that a more stringent ozone standard from the Obama Administration could reduce GDP by \$270 billion per year and carry a compliance price tag of \$2.2 trillion from 2017 to 2040, increasing energy costs and placing millions of jobs at risk. At this price, the NAM estimates that it would be the most expensive regulation the U.S. government has ever issued.

In total, the study finds that revising the ozone standard from 75 parts per billion (ppb) to 60 ppb could:

- Reduce U.S. GDP by \$270 billion per year and \$3.4 trillion from 2017 to 2040;
- Result in 2.9 million fewer job equivalents per year on average through 2040;
- Cost the average U.S. household \$1,570 per year in the form of lost consumption; and
- Increase natural gas and electricity costs for manufacturers and households across the country.

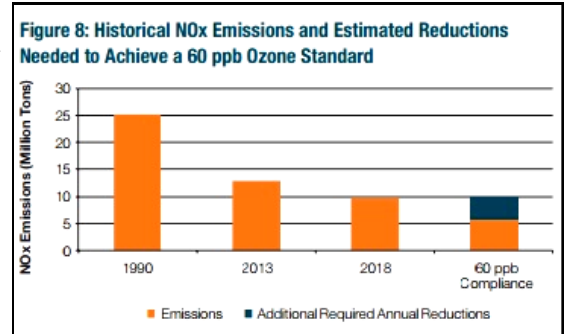
"Manufacturing in the United States is making a comeback, and we're reducing emissions at the same time, but tightening the current ozone standard to near unachievable levels would serve as a self-inflicted wound to the U.S. economy at the worst possible time," said NAM President and CEO Jay Timmons. "This rule would undermine our work to expand manufacturing in the United States, making it almost impossible to increase operations, create new jobs or keep pace internationally."

"We are rapidly approaching a point where we are requiring manufacturers to do the impossible," added NAM Vice President of Energy and Resources Policy Ross Eisenberg. "The EPA is considering setting ozone levels below what exists at national parks, such as Yellowstone and Denali. It is vital that the Obama Administration allow existing ozone standards to be implemented rather than move the goalposts with another set of requirements for manufacturers. Trillions of dollars are at stake."

"This study uses the most up-to-date available EPA information and a state-of-the-art model of the economy to assess the compliance costs and economic impacts of a stricter ozone standard, concluding, as the EPA did in 2010, that the costs would be enormous," said NERA Economic Consulting

Senior Vice President and Environment Practice Co-Chair Dr. David Harrison. "The EPA needs to greatly expand the scope of its analyses if it is to thoroughly assess the cost and impacts of a revised ozone standard."

President Obama halted the EPA's most recent proposal to modify the federal ozone standard in 2011, citing "regulatory burdens and uncertainty." With so much at stake for the manufacturing sector with new regulatory requirements on greenhouse gas rules and planned ozone rules, the NAM will conduct a broad education campaign in key states during the August congressional recess and throughout the fall to increase understanding of the issue and its impacts on states and municipalities.





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## Healthcare Update

### Employers Should Prepare Now for 2015 to Avoid Penalties

From Jackson Lewis LLP, a Council of Industry Associate Member

Under the Patient Protection and Affordable Care Act, beginning in 2015, certain large employers who do not offer affordable health insurance that provides minimum value to their full-time employees may be subject to significant penalties. These penalties are explained below.

In a nutshell, in 2015, “applicable large employers” (explained below) will be subject to an annualized employer “shared responsibility” penalty of \$2,000 (indexed) per full-time employee (less the first 80 full-time employees in 2015) if the employers do not offer health insurance to at least 70% (95% after 2015) of their full-time employees and their dependents.

Even if an applicable large employer offers insurance coverage to full-time employees, the employer still could be subject to an annualized penalty of \$3,000 (indexed) per employee who receives an Exchange subsidy to the extent the coverage does not provide minimum value or is not affordable. This penalty is capped at the amount that would apply if the \$2,000 penalty described above were to apply.

#### What should an employer do now to prepare for these penalties?

**(A)** Determine if they are an “applicable large employer” To do this, employers should count both full-time employees and part-time employee hours as follows:

- 1) Count the employer’s full-time employees for each month in the prior year.
- 2) Count the employer’s full-time equivalents for each month in the prior year.
  - a) Add total hours for non-full-time employees but count no more than 120 hours per month for any one non-full-time employee.
  - b) Divide the number obtained in (a) by 120. This is the full-time equivalent number.
- 3) Add the numbers obtained in (1) and (2) above (i.e., the full-time employee and full-time equivalent numbers) for each month.
- 4) Add the 12 sums obtained in (3) and divide by 12. This is the average number of full-time employees and full-time equivalents.
- 5) If this number obtained in (4) is under 50 (or under 100 for the 2015 determination for certain employers), the employer is not an applicable large employer for the year being determined.

Note: The applicable large employer is determined on a controlled group basis. For example, if there are three companies, each of which is wholly owned by the same parent company, the companies are all considered one employer for this calculation.

Also note that, special transition rules apply in determining applicable large employer status for 2015 and that a special seasonal employee exception may apply even if the threshold in (5) is exceeded.



**(B)** If an employer will be an applicable large employer in 2015, it should determine whether it could be subject to penalties in 2015. For example, it should review its group health plan to determine if the insurance coverage is “offered” to full-time employees within the meaning of applicable regulations, provides minimum value, and is affordable.

**(C)** An employer also will need to address how it will determine the full-time status of – will it use the “monthly measurement period” or the “look back measurement period.” This is particularly important for employers who have many variable-hour employees or seasonal employees.

**(D)** If the employer’s group health plan does not meet the threshold tests to avoid the penalties noted above, the employer should evaluate whether it wants to restructure its health care offerings or pay the penalties (which are non-deductible).

**(E)** Finally, employers should review their data collection procedures to ensure that they will be able to report the healthcare information required to be reported for 2015 (the actual reporting will occur in 2016). Insurers, sponsors of self-insured plans, and other entities that provide minimum essential coverage during a calendar year will be required to report certain information to the Internal Revenue Service and to participants. In addition, applicable large employers will be required to report about the coverage they provide to both the IRS and to their employees. Draft IRS forms to be used in reporting this information have recently been published by the IRS (Form 1095-B, Form 1095-B Transmittal, Form 1095-C, Form 1095-C Transmittal). Employers should review these forms to understand the data that will need to be reported.

**Key Takeaway:** It is not too late for employers to take action now to avoid penalties in 2015.

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## EHS Matters

### Proactive Incident Management: The Foundation That Successful Safety & Health Programs Are Built Upon—Part II

By Ron Coons, *InPhinite Potential*, a Council of Industry Associate Member

*Getting employees involved in the process is the best way to get them to buy into it. This can be done through many ways such as writing articles for the company newsletter, conducting toolbox talks for fellow employees, serving on safety committees and incident review committees.*

In the previous article I began outlining the paradigm shifts that will naturally need to occur when shifting from a reactive to a proactive approach to incident management. Here are some other paradigm shifts that must take place in order for you to build the foundation needed for a world-class safety program.

**From Reserved to Communicative** –

Let’s face it, most employees are doing what needs to be done in order to fly under the radar and get to their next payday. Feedback from employees is seldom forthcoming and generally requires a skilled supervisor to cultivate information and even then, its only done during times of necessity. Most organizations are still hanging on to the command and control methods of management. Because of this employees are naturally reserved and unwilling to step out and speak up. They also know through conditioning that the people in the organization with the formal titles of manager, supervisor or CEO are the ones who are supposed to give feedback and make the decisions that guide the organization.

But with a proactive approach those people in positions of power have to relinquish some of their traditional influence to those charged with the responsibility of building the incident management program. They will come to realize that they are not necessarily the experts regarding safety matters and those serving on the safety committee or those people chosen by the safety committee to carry out incident management tasks are in a better position to make the critical decisions that mold and shape the safety program. Once this happens communication among those that are normally reserved will begin to flourish and then employees will start communicating to each other and talking about the organizations most critical safety needs.

**From Disenchantment To Involvement** – As stated above, employees in a command and control environment will give of themselves only what is necessary. And if they have been around long enough they have likely seen previous attempts at implementing safety programs that have fallen short. Those previous attempts were never seen as welcoming any involvement from them so why start now. Their observations in the past have also seen employees get terminated for simple mistakes

or behavioral missteps that are found in incident investigations and they want no part of it. They become disenchanting with the entire idea of safety and health because they see it as the flavor of the month.



Getting employees involved in the process is the best way to get them to buy into it. This can be done through many ways such as writing articles for the company newsletter, conducting toolbox talks for fellow employees,

serving on safety committees and incident review committees. This new communicative environment will then create more group interaction. This is probably the most important paradigm to overcome and one that is critical to the success of your incident management program.

**From Priority to Value** – We have all heard that saying, “Safety First.” But the reality among everyone including employees is that profit is first. Without it nothing else including products, equipment or jobs will exist. Don’t make the mistake of making safety a priority because priorities change. Instead instill it as a value in your organization that is linked to every activity in your work environment.

These are just some of the most significant paradigm shifts that will have to be made in order to build a solid foundation for your incident management program. In September we will touch on these and more along with the specific elements of a proactive incident management system and how best to implement them.

Ron Coons will be the presenter for the September 24th EHS sub-council meeting. Topic: Proactive Incident Management: The Foundation That Successful Safety & Health Programs Are Built Upon

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

**Where:** Rose & Kiernan, Fishkill, NY

**Cost:** None for members

**Registration:** online at: <http://www.councilofindustry.org/event-seminar/ehs-sub-council-meeting-proactive-incident-management/>

or e-mail Alison Butler at [abutler@councilofindustry.org](mailto:abutler@councilofindustry.org) or call (845) 565-1355.





# CI Calendar of Training and Events

<b>Sept 18</b>	<b><u>DOT Hazardous Materials Training</u></b> -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.
<b>Sept 19</b>	<b><u>EHS Sub-council meeting: Safety Program Best Practices</u></b> — 8:30—10:00 am at Rose & Kiernan, Fishkill. Presenter: Ron Coons, InPhinite Potential. No cost for members.
<b>Sept 25</b>	<b><u>Webinar: Energy Market Update and Lower Hudson Valley Capacity Zone Briefing</u></b> — at 2 pm, Direct Energy and the Council of Industry will hold an online webinar discussing the Capacity Zone Charges along with an energy market update. This is free to members.
<b>Oct 2</b>	<b><u>RCRA Hazardous Waste Training</u></b> - 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.
<b>Oct 16</b>	<b><u>HAZWOPER</u></b> —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.
<b>Oct 24</b>	<b><u>Human Resources Sub-council meeting: Unemployment Insurance Reform</u></b> — 8:30—10:00 am at the Council of Industry’s office, The Desmond Campus, Newburgh, NY. No cost for members.
<b>Oct 30,31</b>	<b><u>OSHA 10 Hour fro General Industry</u></b> - 8:00am - 1:00pm. Location: TBD* 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 availabil-

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

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## Energy Matters

### Battle to End Lower Hudson Capacity Zone: Hundreds of Millions at Stake for Manufactures

*Compiled from The Poughkeepsie Journal's comprehensive coverage on the Capacity Zone and other sources*

*The experience of Council of Industry members to date, however, reflect much higher increases of up to 30% this summer. While this increase may also be due to other factors it is nonetheless a shock to firms still struggling to emerge from recessionary conditions.*

In August the U.S. Court of Appeals heard arguments regarding the creation of a new market for Capacity in the lower Hudson region by the Federal Energy Regulatory commission (FERC). The ostensible purpose of the new zone is to ensure adequate supply of energy for the region. Local utilities and the state's Public Service Commission argue that transmission improvements are the best way to ensure that supply. The Federal Energy Regulatory Commission argues that its imposition of a "new capacity zone" is best. Even though it adds to the costs in the short run, they argue it will incentivize generators to build more capacity that will reduce prices in the long run.

FERC's zone boosts consumer prices by about 6 percent for residential and 10 percent for industrial, according to Central Hudson Gas & Electric Corp. figures. The experience of Council of Industry members to date, however, reflect much higher increases of up to 30% this summer. While this increase may also be due to other factors it is nonetheless a shock to firms still struggling to emerge from recessionary conditions.

The case was started by Central Hudson, joined by New York State Electric & Gas Corp., Rochester Gas & Electric Corp. and the New York Power Authority. The state's Public Service Commission filed a separate brief on the same side. Both are involved in trying to upgrade big power lines to bring more electricity into the region. FERC and its allies are trying to solve the issue by getting more generation built in the region.

According to the Poughkeepsie Journal the latest "reply briefs" answer FERC's arguments filed earlier. Next comes oral arguments before a three-judge panel

in Manhattan on Sept. 12. FERC has argued that courts should defer to it on technical details and judgments, a common defense when someone takes a federal agency to court. It said the zone is actually working, citing plans by new owners of the shuttered Danskammer plant in Newburgh to restart it.

FERC imposed the zone on advice from the New York Independent System Operator. Joining its side are generators, including Entergy Nuclear Power Marketing, several other generating companies and their trade group, the Independent Power Producers of New York.

Central Hudson and its allies argue that the court "owes FERC no deference" when FERC "failed to apply its own standard to consider the evidence and arguments showing that NYISO overstated the need for capacity in the new zone." They say no deference is needed when FERC "failed to explain" how its zone can send incentive price signals "when the transmission constraint that justified the zone is eliminated."

Central Hudson criticized FERC for touting system reliability "when FERC, by its own admission, refused to allow reliability to be a standard for determining whether a new zone was needed." It adds, "FERC made no effort to assess whether NYISO's plan for the lower Hudson Valley zone will produce capacity prices that are just and reasonable – meaning that the right customers are charged appropriate prices for the service." Central Hudson says FERC refused to set rules for sunset of the zone.

No timeframe was set for a decision in the case. On Thursday, Sept.25 at 2 pm, Direct Energy and the Council of Industry will hold an online webinar discussing the Capacity Zone Charges along with an energy market update. This is free to members. For more information go to [www.councilofindustry.org](http://www.councilofindustry.org) and click the link on our calendar page.




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## Manufacturing Matters

### The Renaissance of US Manufacturing is Real but Maybe Not What You Think

By Meagan Clark @MeaganKaym.clark@ibtimes.com



America's heavy manufacturing was once a source of national pride. Think of Rosie the Riveter posters during World War II or the huge post-war factories that shaped skylines of cities like Cleveland and Pittsburgh. In the 20th century, America's factories

produced more than those of any other country.

But as the 20th century ended, the once-mighty sector started contracting. Manufacturers discovered cheaper labor overseas. Many factories in the U.S. began closing. And then in late 2007 came the worst financial crisis since the Great Depression. To many it seemed like the final nail in the coffin of American manufacturing. In fact, between 2000 and 2009, 5.8 million factory jobs disappeared.

By 2010, the manufacturing dominance America had relied on since the late 1800s was officially over; that year China supplanted the U.S. as the world's largest manufacturing nation in terms of output, producing goods worth \$1.92 trillion compared to America's \$1.86 trillion, according to United Nations data.

Yet in the years since the financial crisis, U.S. manufacturing has begun reinventing itself and rising again. There is indeed a renaissance in American manufacturing, economists say, and one that can still be a source of pride. But the sector looks far different from the past, offering fewer jobs and demanding higher skills than ever before.

Since 2010, the U.S. has regained a net 568,000 factory jobs. "Jobs are coming back, and there is a renaissance," said Claude Barfield, a scholar at American Enterprise Institute and former consultant to the Office of the U.S. Trade Representative.

There are several reasons why more and more companies want to manufacture in the U.S. now. Energy costs have declined, and American labor productivity has increased. International transportation is still costly, and shortening a supply chain can save a company money while giving it more control over production. And wages in China and surrounding areas are starting to rise, along with political unrest in East Asia, Barfield said.

The expansion of the last four years is continuing. Durable goods manufacturing contributed more than any other sector to U.S. economic growth in 2012, according to the most recent data available from the Bureau of Economic Analysis. The durable goods output rose 9.1 percent in 2013, after increasing 6.8 percent in 2011. By comparison, the private services-producing sector grew 2.7 percent in 2012.

Manufacturing's dollar-share of gross domestic product increased in 2013 for the third consecutive year to 12.5 percent, its highest share of GDP since 2007, though still less than half its contribution during the 1950s.

Even though U.S. manufacturing has contracted sharply since the mid-20th century and prospects that it will ever return to its former size are virtually nil, American manufacturing remains one of the most productive in the world, contributing \$1.87 trillion to the nation's economy in 2012, according to the Bureau of Economic Analysis. Though China is producing slightly more output than the U.S., its production takes about 10 times more workers.

In other words, American factories are producing more than ever with fewer workers. And unlike the low-end goods with thin profit margins produced in China and other developing nations (toys, shoes, consumer electronics, etc.), the expensive and complicated goods many American factories now produce -- medical equipment, computer chips, commercial and military jets and oil and gas equipment, to name a few -- require specialized skills.

"The U.S. has always been a leader in manufacturing," Veronique de Rugy, senior research fellow at the Mercatus Center of George Mason University, said. "While it's seen a slight decline in the past few years, it's clear that it's going through a renaissance right now. It is still not only leading, but really gigantic."

De Rugy is quick to clarify that no one can know how much U.S. manufacturing will grow or for how long. But she believes the shift in global manufacturing taking place, with developing countries producing low-end goods and developed countries producing high-end goods, will make U.S. manufacturers increasingly attractive to American and foreign companies.

Chad Moutray, chief economist for the National Association of Manufacturers, said he's seeing increased investment in American manufacturing.

**Continued on page 15**



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## Financial Matters

### \$85 Billion in Tax Incentives Stalled in the U.S. Senate

*The legislation contains a mix of 50 temporary tax breaks, known in Congress as "tax extenders," that expired at the end of 2013 and would be renewed through 2015.*

An effort to renew \$85 billion in tax incentives for individuals and businesses is stalled in the U.S. Senate until after the November congressional elections, Senate Majority Leader Harry Reid said earlier this summer.

The legislation contains a mix of 50 temporary tax breaks, known in Congress as "tax extenders," that expired at the end of 2013 and would be renewed through 2015. These include some high priorities for manufacturers: a strengthened research and development (R&D) credit, enhanced Section 179 expensing for capital investments by small manufacturers, deferral for active financing income earned overseas and the controlled foreign corporation (CFC) "look-through" rule that allows U.S. global companies to redeploy cash overseas without triggering an additional U.S. tax burden.



More than three quarters of the top CEOs around the country believe that the passage of a tax extender bill currently in Congress would serve as a bridge to a complete overhaul of the tax code, according to poll results released Tuesday by corporate advocacy group Business Roundtable. Randall Stephenson, chairman of Business Roundtable and chairman and CEO of AT&T Inc., said in a press release, "Congress and the administration must focus on policies that drive economic growth, including tax reform, immigration reform, trade expansion and long-term fiscal stability. The first step toward immediate growth should be passage of business tax extenders legislation that serves as a bridge to tax reform."

In an April 28 letter to House Ways and Means committee members, the National Association of Manufacturers pointed out that legislative action to make permanent these important tax provisions represents a significant step forward in achieving their goal of pro-growth, pro-manufacturing tax reform. Taken together, these bills will stimulate innovation, create more jobs, spur investment and make manufacturers in the United States more competitive—all factors that are critical to our nation's economic growth.

Election-year partisanship is leaving many initiatives in limbo at least until the November elections, when all 435 House of Representatives seats and 36 of 100 Senate seats are in play.

A post-election session in November likely will be the next chance for considering the tax breaks.

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## Workforce Matters

### First Cohort Completes CPT Training

The first group to go through the Certified Production Technician Program at SUNY Dutchess graduated on August 28th and is ready to work. This program prepares participants for the manufacturing workforce by exposing them to a variety of the skills needed in the workplace and ensuring a standard level of competency in these areas are met before they become certified.

The program at SUNY Dutchess consists of 160 plus hours of in-class, hands on and online experience which includes the OSHA 10 hour training for general industry, math requirements, communication and shop literacy skills. They have studied quality practices and measurement, manufacturing processes and production technique, and maintenance awareness.

This is the first group to complete the training and they are very excited to put their skills to use in the workplace. This is a diverse group which includes military veterans and women, retirees and people with some manufacturing experience as well as some that had none previous to the program. There is a mini-job fair scheduled from 8:30-10:30 on Tuesday, September 9 in Bowne Hall 122 for companies interested in hiring the CPT graduates. Contact Glenn Tanzman (info below) if you are interested in attending.

For more information on this program contact: Glenn Tanzman at [g.tanzman@tanzco.net](mailto:g.tanzman@tanzco.net) or Harold King at [hking@councilofindustry.org](mailto:hking@councilofindustry.org).



Participants in the CPT Program took part in a job shadowing day at MPI where they saw manufacturing processes up close.

*This program prepares participants for the manufacturing workforce by exposing them to a variety of the skills needed in the workplace and ensuring a standard level of competency in these areas are met before they become certified.*

## Consumer Price Index for July 2014

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
<b>Wage Earners</b>	<b><u>Jul.'13</u></b>	<b><u>Jul.'14</u></b>	<b><u>Jun.'14</u></b>	<b><u>Increase</u></b>	<b><u>Month</u></b>	<b><u>Year</u></b>
1967=100	685.35	698.58	699.11	-0.53	-0.1	1.9
1982-84= 100	230.08	234.53	234.70	-0.18	-0.1	1.9
<b>All Urban</b>						
1967=100	699.75	713.69	713.97	-0.28	0.0	2.0
1982-84=100	233.60	238.25	238.34	-0.09	0.0	2.0
Hudson Valley unemployment rate for July 2014 = 5.7%						

**Continued from front page  
Golf Outing**

The outing was capped off with cocktails and dinner that was scrumptious as always and great fun as the prizes were announced. Individual winners were Chris Pullman from DP Sales Pro for Men’s Longest Drive and Stephanie Melick from Elna Magnetics for Women’s Longest Drive. Jordan Fitch from Eastern Alloys won a beautiful Nike golf bag donated by Alcoa Fastening Systems for closest to the pin. Other prize sponsors include Advanced Coating Technologies, Elna Magnetics, Jabil Circuit Inc., Viking Industries, and Stanfordville Machine. Direct Energy donated Nike golf shirts in addition to sponsoring the Lunch.



Winners of the infamous Yellow Ball game—the foursome from Pawling Corp.

The outing has long been famous for a summer rain shower or as was the case in 2012 a down-pour but this year the sunshine was abundant and the temperatures perfect. This fantastic event was made possible by the sponsors already mentioned and the following tee sponsors: Stanfordville machine, Marco Manufacturing, Jackson Lewis LLP, Eastern Alloys, Martinelli Publishing, Package Pavement, Rondout Savings Bank and The Chazen Companies.

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**Continued from page 4  
Personnel Matters**

They will then complete a 6-week Manufacturing Skills Training course and pass the Certified Production Technician Exam in order to graduate. Graduates are expected to receive guaranteed job offers by Ulster County’s private manufacturers.”

SUNY Ulster President Don Katt has been quoted as saying that “having a well-trained workforce is critical to the economic success of Ulster County and having business and education work together is the key to making this happen”. This partnership of customers (employers) and providers (educators) integrates what the Community colleges do best with the voice of the customer informing the curriculum.

Another building block is a regional strategy that recognizes that people often work outside of their community and county. Workers in the Mid-Hudson frequently commute across county lines and (surprise) the River. The challenge is to create a manufacturing-focused regional approach, one that brings together the

work already done to support manufacturing: creating worker certification, realizing career pathways, and match employees with employers. As a regional organization, The Council of Industry is well positioned to take broader view than one that stops at county borders. The cooperative relationships between the Council and the SUNY colleges and among the colleges themselves continue to strengthen, growing the resources for employers and job seekers alike.



The Mid-Hudson is on the move; stay tuned.





### Continued from page 5 More Personnel Matters

**Q: When is my payment of the IAS due? Can I get an extension?**

A: Payment is due 30 days from the date of the billing notice. No extensions can be granted because the payment due to the federal government must be timely.

**Q: Who should I make my check payable to, and where do I send the payment?**

A: Checks should be made payable to "NYS Unemployment Insurance" and sent to "NYS Unemployment Insurance, P.O. Box 4301, Binghamton, New York 13902-4301."

**Q: Is this a one-time billing, and what happens if I do not pay my IAS?**

A: IAS will be billed annually until the loans to the federal government have been fully paid. It is anticipated that the federal loan will be fully paid by 2016. IAS is subject to the same collection processes as normal contributions, including, but not limited to, legal actions to enforce a debt.

**Q: What if I did not receive an IAS bill or have questions regarding the IAS bill?**

A: If you have any questions, please call the Employer Accounts Adjustment Section of the Unemployment Insurance Division at 1-888-899-8810 and select option 1, or go to our agency website <http://www.labor.ny.gov/>.

### Continued from page 11 Manufacturing Matters

"We keep hearing about manufacturers that are increasing production here," he said. "There's been a lot of investment from companies using natural gas, plastic, fertilizers."

A lot of that investment is coming from abroad, he added.

According to a national poll conducted in early January and released Monday by the Alliance for American Manufacturing, Americans cite manufacturing job loss as a top economic concern, above taxes, income inequality, education and retirement security.

The White House has launched two hubs for high-tech manufacturing in Raleigh, N.C., and Youngstown, Ohio, connecting businesses to universities that can help the U.S. in advanced technologies. In his State of the Union address, President Barack Obama promised to launch six more hubs this year.

Stuart Hoffman, chief economist of PNC Financial Services Group, explains in a late-January report that the manufacturing sector seems well-positioned to continue growing this year, with recovery in Europe driving exports, job and income gains driving consumer spending, and a budget agreement between Obama and Congress that has reduced policy uncertainty and will likely increase business investment in equipment. "Manufacturing will continue to expand in 2014," Hoffman wrote.

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# **Council of Industry**

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