

# ExecutiveMemo

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A newsletter of the Illinois Manufacturers' Association

January 6, 2009

## BRIEFLY

### Best Places to Work in Illinois 2009

Best Places to Work in Illinois 2009 is a combination survey, study and award ceremony established to identify the top places of employment in Illinois. It will recognize and honor companies in Illinois that show a dedication to their employees' growth and quality of life. This will be the 4th year that the program has been hosted in Illinois.

To enter the competition, visit [www.bestplacesworkil.com](http://www.bestplacesworkil.com) or, for more information, call 877-455-2159. Entry deadline is January 30, 2009.

The Best Places to Work in Illinois awards program is open to all for-profit and non-profit companies in the state. A final ranking will honor companies in two categories:

- Medium-sized companies with 15-199 employees; and
- Large-sized companies with over 200 employees.

All participating companies, whether or not among those top-ranked, will receive detailed data identifying the strengths and weaknesses of their workplace according to a survey of their employees.

Announcement of the top-rated firms will come in the spring of 2009 at an awards banquet and through a special supplement to *The Business Ledger* that will feature statewide distribution.

For more information contact: James Elsener, Publisher of *The Business Ledger*, at 630-428-8788, email [jelsener@thebusinessledger.com](mailto:jelsener@thebusinessledger.com).

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Editor: Stefany Henson ([shenson@ima-net.org](mailto:shenson@ima-net.org)).

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## Rockies Express offers new source of supply to Eastern U.S. markets

The Rocky Mountain region of the United States accounts for approximately 23 percent of total natural gas production in the lower 48 states, with Colorado alone contributing more than six percent of annual domestic production. While Colorado uses only about two-fifths of the natural gas produced in the state, transporting excess gas to other markets has been limited in the past by the small amount of pipeline capacity out of the Rockies. Of the new pipeline investments being made to bring Rocky Mountain nat-

ural gas production to markets in the eastern United States, the most significant is the Rockies Express (REX) project.

REX is a 1,679-mile pipeline running from the western Rockies to eastern Ohio. The project is being constructed in three phases: REX-Entrega, REX-West, and REX-East. REX-Entrega is a 328-mile pipeline from northwestern Colorado to north-central Colorado, REX-West runs 713 miles from north-central Colorado to central Missouri, and REX-East is a 638 mile sec-

See **ROCKIES EXPRESS**, page 2

## Illinois' New Markets Development Program will support small businesses and attract more investors to Illinois

Senate Bill 2015 was signed into law December 31, 2008. Designed to provide an economic stimulus for Illinois in these difficult financial times, SB 2015 establishes a new state incentive for investment entities that have been approved for the federal New Markets Tax Credit (NMTC) program. The law will support small and developing businesses by making capital funds more easily available and will make the state more attractive to possible investors.

The Illinois New Markets Development Program, which is created by SB 2015, will provide state tax credits to investors against their state income tax liability to help drive at least \$125 million into small businesses in Illinois low-income communities. In order to qualify, the investor must make investments into federally approved Community Development Entities (CDE) which in turn make investments in eligible projects located in low-income areas of Illinois. Many of these small businesses would be unable to qualify for development or expansion loans from large lending institutions because they lack credit history or necessary collateral. With the anticipation of the future tax credit, CDEs are able to make these loans available.

To qualify as a CDE, an organization must demonstrate a primary mission of serving, or providing investment capital for

low-income communities or low-income persons and maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity. The credit is claimed over a seven-year allowance period. The federal NMTC program was enacted by Congress in 2000 and extended for future years in both 2006 and 2008. It authorizes up to \$23 billion of investment in low-income areas nationwide.

"We are always seeking innovative ways to promote Illinois as a place to do business. Illinois' New Market Tax Credit will provide incentives for small business and investors to develop businesses and create jobs in low-income and underserved communities. This program will help strengthen Illinois' economy and create needed jobs during these tough economic times," said Jack Lavin, Director of the Illinois Department of Commerce and Economic Opportunity.

The Illinois Department of Commerce and Economic Opportunity is responsible for qualifying the CDEs and ensuring that the total tax credit liability of the state does not exceed the \$10 million cap in any year. The Illinois Department of Revenue is responsible for monitoring CDE commitments.

tion from central Missouri to eastern Ohio.

Natural gas began to flow on the REX pipeline on January 12, 2008, as interim service commenced on a 500-mile section of REX-West running from the Cheyenne Hub in Colorado to the ANR pipeline delivery point in central Kansas. This section of the pipeline also includes delivery points to Northern Natural Gas Company, Natural Gas Pipeline Company of America, and Kinder Morgan Interstate Gas Transmission. The eastern segment of the REX pipeline received final approval from the Federal Energy Regulatory Commission (FERC) on May 30, 2008, the same day that REX-West became fully operational.

Mainline construction activity on REX-East is underway and has reached the Mississippi River, with a goal of interim service by April 1, 2009. Once completed, REX-East will have a capacity of 1.8 Bcf per day and will have interconnections with NGPL, Ameren, Trunkline, Midwestern, PEPL, Citizens Gas, Indiana Gas, ANR, Columbia Gas, Dominion, TETCO, Texas Gas, Vectren, Tennessee Gas, and DTI pipelines. REX-East is forecast to be fully operational by November 1, 2009.

The ability to transport large quantities of Rocky Mountain gas to the east represents a major shift in basis-market dynamics across the mid-continent. These new market dynamics will affect customers across Missouri, Illinois, Indiana, and Ohio, as well as customers in Kentucky, Tennessee, West Virginia, and Pennsylvania because of their proximity to REX-East. The completion of REX should allow markets in the mid-continent to substitute potentially shrinking natural gas supplies from Canada

and the Gulf of Mexico with natural gas from the Rocky Mountains. This new supply may also result in a waning disparity between western and eastern United States gas market prices.

To learn more about the completion of REX, please contact Jeff Abeln at 312-704-8527, or via email at [jeff.abeln@constellation.com](mailto:jeff.abeln@constellation.com).

## New Illinois laws effective January 1, 2009

A number of new state statutes affecting Illinois business took effect on January 1, 2009. More than 300 legislative proposals were approved by the Illinois General Assembly and signed into law.

### Ethics reform takes effect despite Governor's objections

An ethics reform measure (HB 824) designed to limit contributions to the campaign coffers of Governor Rod Blagojevich from entities with state contracts in excess of \$50,000, was approved overwhelmingly by the legislature despite opposition from the Governor.

### New insurance mandates imposed

HB 1432 creates a new health care mandate to cover eating disorders such as anorexia nervosa and bulimia nervosa. The bill was rewritten by the Governor to include mental and emotional disorders including grief but those changes were rejected by the legislature. The IMA opposes every health care mandate introduced in the General Assembly because they increase the cost of health care insurance on employers by one to three percent.

HB 5285 dramatically expands a health-

See **NEW LAWS**, page 3

## DATES OF NOTE

More information/events may be found at <http://www.ima-net.org/calendar.cfm> and <http://www.ima-net.org/MIT/open.cfm>  
Email: [jstanley@ima-net.org](mailto:jstanley@ima-net.org)

### IMA-MIT Event — Lean Manufacturing: Quick Start

**January 12, 2009 — Decatur Conference Center & Hotel, US Highway 36, Decatur**  
**January 13, 2009 — DePaul University, 150 W. Warrenville Rd., Naperville**

Designed to help participants quickly initiate team oriented on-going Lean activities. Learn Lean terms and definitions, waste identification and analysis, team organization and choosing Lean tools for waste free processes. Participants will leave with the knowledge and confidence to facilitate change; gain support from co-workers and management; and lay groundwork to later implement a Lean manufacturing system that is maintainable.

**January 23, 2009**

**IMA-MIT Event — Essential Leadership Skills for Newly Promoted and Frontline Supervisors — DePaul University's O'Hare Campus, 3166 River Rd., Des Plaines**

This fast-paced, invigorating one-day workshop will provide you with key essential skills that all new and/or front-line supervisors must possess to support their leadership success.

**IMA-MIT Event — 5S and Visual Controls**

**January 26, 2009 — Decatur Conference Center & Hotel, US Highway 36, Decatur**  
**January 27, 2009 — DePaul University, 150 W. Warrenville Rd., Naperville**

This workshop will focus on effective methods of applying 5S and Visual Controls techniques and tools in the manufacturing and office environments. Learn to maximize the benefits of red tag techniques, orderly work environment and visual workplace methodology.

**January 26, 2009**  
**Conference on Manufacturing and Community Colleges**

**7:30 am–1:00 pm at Chandler's Chophouse Schaumburg Golf Course, Schaumburg**

Featuring world-class educational models from around the country that are meeting the workforce needs of advanced manufacturers. Participate in a partnership that offers access to resources and solutions to address workforce needs. Hosted by the Western Suburban Chapter of the CMRC. US Rep. Melissa Bean of the 8th District is scheduled to speak. For more information contact Sandy Westlund-Deenihan, Chairperson of the Western Suburban CMRC, telephone 847-781-8960, email [sandy@metalfloat.com](mailto:sandy@metalfloat.com).

## Benchmark with IMA publications . . .

### IMA's 2008-2009 Annual Benefits Report and 2008-2009 Annual Compensation Report

Compiled by the Illinois Manufacturers' Association with assistance from RSM McGladrey, these Reports contain valuable compensation and benefits data specifically relevant to Illinois manufacturers.

**This is what you need to plan for the future.**

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**[www.ima-net.org/ben\\_report\\_order.cfm](http://www.ima-net.org/ben_report_order.cfm)**

Questions? Call Janie Stanley at 800-875-4462, ext. 3020, email: [jstanley@ima-net.org](mailto:jstanley@ima-net.org).



care requirement by mandating dependent coverage until age 26 and dependent coverage for veterans until age 30.

HB 953 (Lang, D-Skokie): Creates a new health care mandates that requires employers who provide health care benefits to cover marriage therapists.

HB 4602 (Beiser, D-Alton): Creates a new health care mandate that requires employers who provide health care benefits to cover shingles vaccines.

SB 934 provides individuals less than 21 years of age coverage for autism spectrum disorders to the extent that the diagnosis and treatment of autism spectrum disorders are not already covered by the policy or plan. The legislation also provides that this coverage shall be subject to a maximum benefit of \$36,000 per year, but shall not be subject to any limits on the number of visits to an autism service provider.

**Economic Development**

HB 4216 (Fortner, R-West Chicago): Creates a new Science & Technology Commission within the Department of Commerce & Economic Opportunity to coordinate efforts between businesses, higher education, and government.

**Environmental matters**

HB 4668 (Davis, D-Chicago): Imposes new regulations on metal processors and recyclers including making a photocopy or electronic scan of a drivers' license or state ID card for every person involved in transaction worth more than \$100, and keeping the records for a minimum of three years. The IMA worked with the sponsor to alleviate some major concerns.

SB 878 Allows DCEO to administer the

"Renewable Energy Resources Program" to provide grants, loans and other incentives to create investment in and the development and use of solar, wind, organic waste biomass and some other hydro energies.

SB 2313 Creates the Electronic Products Recycling and Reuse Act. The legislation requires manufacturers, retailers, collectors, and recyclers to perform certain duties related to recycling or reusing certain electronic products. It also sets forth goals for manufacturers for the recycling of the electronic products.

### Energy Secretary Bodman urges lighting upgrades; lauds NEMA's new energy-conservation program

*More than \$50 billion is being wasted each year by the owners of 2.8 million U.S. commercial, industrial, and institutional buildings that rely on outmoded lighting systems that waste energy and money.*

Citing a letter issued by Secretary of Energy Samuel W. Bodman, National Lighting Bureau Chair Robert W. Colgan, Jr. noted that "the return on investment that can be generated by upgrading these outmoded systems will never be better. The Commercial Building Tax Deduction [CBTD] introduced through the Energy Policy Act of 2005 has been extended through December 31, 2013. The CBTD gives owners a tax benefit of as much as 60 cents per square foot for qualifying lighting systems, effectively lowering the

investment required to update or replace an outmoded system. The return — in the form of utility bill savings and the bottom-line benefits of providing better seeing conditions — creates a genuinely huge financial incentive at a time when building owners could really use one."


Mr. Colgan said that the upgrade incentives comprise far more than the tax benefits that can significantly offset the capital investment required to improve. "The energy cost savings can be substantial," he said, noting that, using Department of Energy estimates, lighting upgrades alone could avoid some \$50 billion of needless energy expense each year. "But energy savings are only part of the picture," he added, commenting that most of the buildings in question also pay "demand charges," that is, fees imposed by electric utilities based on the maximum amount of electricity the buildings use during a given "demand interval," often a period of 15 consecutive minutes. Demand charges typically are imposed on nonresidential customers as separate elements of the utility bill, and they can in some cases amount to as much as or even more than energy charges."

Despite the often-substantial savings afforded by lower utility bills, the most significant value likely to be derived from lighting-system upgrades comes from what the National Lighting Bureau calls High-Benefit Lighting®; that is, lighting systems designed specifically for the tasks, workers, and spaces involved. A two-shift, 100-person-per-shift manufacturer may spend about \$15,000 per year on lighting energy when it operates six days per week. If so, a 70 percent energy-use reduction would yield an energy-cost benefit of \$10,500 per year. If that same new lighting were well-designed and so improved worker productivity by just two percent per year, the manufacturer would derive an additional benefit worth about \$150,000 per year."

"There are so many right reasons for upgrading or replacing outmoded lighting systems right now," Mr. Colgan said. "And the return on one's investment can be truly spectacular."

The Bureau's website provides guidance on how to select lighting-system designers and lists individuals who are authorized to certify that a given lighting system complies with the CBTD requirements. The Bureau's website also provides free guidance literature, as well as numerous articles and case histories describing the benefits of High-Benefit Lighting®.

For more information, refer to the NLB website ([www.nlb.org](http://www.nlb.org)) or contact NLB staff by telephone (301-587-9572) or e-mail ([info@nlb.org](mailto:info@nlb.org)).



**Upcoming Webinar: How to Benefit from High Energy Demand**

Register today for this complimentary webinar and gain an understanding of Load Response fundamentals and how eligible businesses can earn economic incentives by reducing electricity load (i.e., curtailment) at times when the electric grid is under stress. Also learn how some businesses are successfully implementing and benefiting from Load Response programs to help attain financial, environmental, and social goals. Choose from the days listed here . . .

Tuesday, Jan. 13, 1PM–2PM CST	Tuesday, Jan. 27, 1PM–2PM CST
Wednesday, Jan. 21, 1PM–2PM CST	Wednesday, Feb. 4, 1PM–2PM CST

**What you'll learn:**

- How does Load Response work?
  - Who can enroll?
- What are my curtailment options?
- How do I earn financial benefits and rewards?

Space is limited so reserve your complimentary spot today!  
Contact us by email at [loadresponse@constellation.com](mailto:loadresponse@constellation.com)