

ExecutiveMemo

www.ima-net.org



A newsletter of the Illinois Manufacturers' Association

June 9, 2010

BRIEFLY

SBA tools to help exporters succeed

The U.S. Small Business Administration is offering new, free tools for new and established small business exporters to help them grow and succeed in international trade. Small businesses will now have access to six-part podcast series, an introduction to exporting YouTube video and an online training course.

The podcast series is available online at http://www.sba.gov/tools/audiovideo/Podcasts/INTL_TRADE.html and focuses on Growing Your Business Through Exporting; Developing an Export Strategy; Preparing for Global Markets; Conducting Market Research; SBA Exporting Loan Program; and a Small Business Success Story.

The introduction to exporting video is available at <http://www.youtube.com/user/sba#p/u/0/UFQIASzJWn4>, and the free, online exporting course, "Take Your Business Global," is available at <http://web.sba.gov/sbtn/registration/index.cfm>.

Illinois Small Business Week

Illinois will celebrate the 47th Annual Illinois Small Business Week on June 29, 2010 in Chicago at Navy Pier. There will be a celebration with awards, lender matchmaking and a business expo.

Businesses urged to prepare for the unexpected

The SBA and Agility Recovery Solutions are launching a new website to help small businesses develop an emergency preparedness plan before disaster hits.

In an effort to encourage businesses to plan ahead, the SBA has teamed with Agility Recovery Solutions, a firm that has provided business continuity and disaster recovery tools to small companies for 21 years. Recently, the SBA and Agility launched the Prepare My Business (www.prepare-mybusiness.org) website. Learn more about the SBA's disaster assistance program, visit the website at www.sba.gov/disasterassistance.

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Senators to vote on whether to cede regulatory authority to EPA

Senators will soon consider a resolution to pare back an Environmental Protection Agency plan to regulate greenhouse gases — a plan that would raise energy costs.

On June 10, the U.S. Senate will consider a "resolution of disapproval" regarding a 2009 ruling made by the EPA in late 2009 claiming six greenhouse gases are a threat to public health. This makes these gases — carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride — subject to regulation under the Clean Air Act.

"The EPA's endangerment finding endangers our economy and our liberty," said Deneen Borelli, full-time fellow with the Project 21 black leadership network. "The EPA's effort to regulate greenhouse gases will affect virtually every aspect of our economy and our lives. In expert opinion, this will result in higher energy costs and job losses while having — by their own admission — virtually no effect on cooling global climate."

Senate Joint Resolution 26, introduced by Senator Lisa Murkowski (R-AK), would use the Congressional Review Act to overturn the administrative ruling. This would allow elected representatives to deliberate and pass

their own regulations as Congress sees fit.

"I don't want an unelected bureaucrat imposing rules and regulations on businesses that are essentially a tax on energy and will be passed along to consumers — many of whom are just getting by as it is," said Tom Borelli, director of the Free Enterprise Project of the National Center for Public Policy Research.

"Opposition to the cap-and-trade bill that was jammed through the House of Representatives is one of the key positions of the tea parties, and this endangerment finding is cap-and-trade by other means," noted Deneen Borelli. "Americans are already skeptical enough of lawmakers these days. Watching them pass up an opportunity to do what they were sent to Washington for will restore no lost faith in the government."

"This resolution is a major indicator of where our republic is headed. Senators will determine if they are going to cede their authority as an elected representative of the people to largely unaccountable bureaucrats," added Tom Borelli. "While the White House is eager for the EPA to seize regulatory authority, rank-and-file Americans such

See **EPA AUTHORITY**, page 2

Need assistance with energy efficiency questions?

The US Department of Energy, through its Industrial Technologies Program (ITP), has an online newsletter designed to give you current information on energy efficiency issues — with a focus on giving industrial users the information you need to reduce your energy costs.

The ITP leads national efforts to improve industrial energy efficiency and environmental performance. ITP is part of the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy

and contributes to its efforts by partnering with U.S. industry in a coordinated program of research and development, validation, and dissemination of energy efficiency technologies and operating practices.

ITP works with industry to save energy and money, increase productivity, and reduce environmental impacts. For more information, energy tips, and the ITP's current newsletter go to: <http://www1.eere.energy.gov/industry/bestpractices/energymatters/archives/spring2010.html>.

IMA'S EXECUTIVE MEMO IS UNDERWRITTEN BY:

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EXPERIENCE RESPONSIVENESS.

Of 838 clients surveyed, 98% say Plante & Moran is responsive to their needs.

as those found in the tea party movement are troubled and will be watching to see who will be for and who will be against this massive federal power grab.”

The National Center for Public Policy Research is a non-profit, free-market think-tank established in 1982 and funded primarily by the gifts of over 100,000 recent individual contributors. Less than one percent of funding is received from corporations.

What's your energy plan?

Here are a few ideas that many businesses have leveraged to improve their bottom lines

There's no question that energy is a hot topic. From managing costs, to efficiency, to renewables, energy topics dominate today's headlines. Perhaps less well-publicized are the rewards well-thought-out energy investments can yield in the form of federal, state, and local grants, renewable energy certificates (RECs), and utility incentives.

The American Recovery and Reinvestment Act of 2009, the Energy Policy Act of 2005, and state mandates for minimum renewable energy production have combined to encourage unprecedented investment in renewable or energy-efficient energy products and projects. With so many different incentives and programs available, many individuals and businesses are left wondering what's available and how they can take advantage of these opportunities.

Here's a working example reflecting how we've helped a number of our clients take advantage of the federal, state, and utility incentives and programs currently available. We're hoping it will serve as inspiration for other businesses to begin to understand and manage their energy costs.

A working example

Meet ABC Company (ABC), a fictional, Ohio-based organization operating a 200,000-square-foot manufacturing facility. ABC realizes that in today's ever-changing business landscape, it must be proactive in planning its energy usage to remain profitable and competitive in the face of consistently rising energy costs. Energy usage is one business-related cost that ABC can control and, with proper planning, even use to its advantage. How? Using ABC as an example, we'll walk you through a few scenarios that many companies can consider to be sure that they're maximizing available benefits.

Examine existing energy needs — First,

ABC considers how it manages existing energy needs with an eye toward taking advantage of opportunities that the utility company doesn't necessarily advertise. Part and parcel of any organization's energy usage profile is an energy audit, as the audit provides a baseline from which improvements and savings may be measured. Thanks to ABC's energy audit, the company is able to save \$1,000 per month by making a few operational changes and taking advantage of the deregulated utility market in which it operates.

Address energy conservation — Next, ABC addresses energy conservation. As the energy audit identifies elements that can be changed to allow ABC to further reduce its overall energy usage, this reduction “supercharges” the benefits that are realized in the energy management step. For example, if ABC replaced the 200 metal halide lights that it currently had in its manufacturing facility with high bay fluorescent lighting, the company could reduce its lighting costs by 50 percent. This 50 percent reduction equates to an additional savings of \$5,000 per month.

Although the costs of the lights were \$80,000, the local utility provided a rebate that offset \$30,000 of the costs. Additionally, because of the reduction in energy usage that resulted from the installation of the lighting system, ABC was able to secure tax depreciation benefits the same year the lights were installed. ABC recovered the entire cost of the installation of the new lighting system in fewer than 10 months. And, each month after the installation, ABC realized a monthly savings of \$6,000, money that went straight to ABC's bottom line.

Evaluate renewable energy technologies — Since ABC realized substantial savings from this energy conservation project, its leaders decided to take advantage of some of the short-term opportunities to add renewable energy technologies to its energy management plan. ABC was able to take advantage of its large amount of unused roof space by installing a 43kw solar array. Since ABC applied for and was awarded a \$150,000 grant from the state of Ohio, half of the \$300,000 cost of the array is covered. And, because of careful planning and the timing of the installation (before the end of 2010), ABC is eligible for a federal grant of \$90,000. Within 60 days of the completion of the solar project, ABC can expect to receive \$240,000 toward the total cost of \$300,000 to install the system.

Due to recently adopted renewable portfolio standards in Ohio, ABC is also able to sell one year of its RECs (renew-

able energy certificates), the intangible energy attributes it has created by using a renewable source to generate the electricity, to its local utility for \$10,000. Just after the installation of the solar array, ABC has recovered 83 percent of its cost in the solar system. The solar array is expected to generate \$5,000 worth of electricity each year and also help lower its peak demand cost in the summer, further reducing ABC's utility cost.

In conclusion

As you can see, there's a wide array of federal, state, local, and utility programs available to help businesses reduce energy usage and cost. The key is to develop a strategy around your business's energy needs. Once established, it's essential to understand what's available in incentives and programs so that the cost of your energy plan is subsidized. Only then can you start applying the savings to your bottom line.

Article provided by IMA member Plante & Moran, PLLC. For more information, visit <http://www.plantemoran.com>.

USEPA greenhouse gas reductions calculator

Did you ever wonder what reducing carbon dioxide (CO₂) emissions by one million metric tons means in everyday terms? The greenhouse gas Equivalencies calculator can help you understand just that, translating abstract measurements into concrete terms you can understand, such as “equivalent to avoiding the carbon dioxide emissions of 183,000 cars annually.”

This calculator may be useful in communicating your greenhouse gas reduction strategy, reduction targets, or other initiatives aimed at reducing greenhouse gas emissions.

To calculate potential green house gas reductions at your facility, visit <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>.

Congressional committee to consider responses to long-term unemployment

Congressman Jim McDermott (D-WA), Chairman of the Subcommittee on Income Security and Family Support of the Committee on Ways and Means will hold a hearing on possible policy responses to long-term unemployment. The hearing will take place on Thursday, June 10, 2010.

The hearing follows the passage of HR

See **UNEMPLOYMENT**, page 3

4213 by the House before Memorial Day to provide a further extension of the unemployment compensation related provisions of the American Recovery and Reinvestment Act (ARRA). The unemployment compensation provisions included in HR 4213 were deemed to be emergency spending and were projected by the Congressional Budget Office (CBO) to cost \$39.5 billion, all of which will add to the federal deficit. The Senate is scheduled to begin debate on HR 4213 and other proposals this week.

Leadership in both parties and the Administration are beginning to recognize that there remains a large number of long-term unemployed with few new jobs being created in the economic recovery. Policy choices are becoming more difficult given the state of the economy. The cost of continued emergency unemployment compensation at the same levels as provided in the ARRA would add over an additional \$100 billion per year in spending that is not paid for. However, if Congress elects to pay for the spending, significant reductions in other programs and/or increases in taxes will eventually be required. In a hearing on May 6th, Congressman McDermott signaled his belief for increases in the FUTA tax base, citing the report of the GAO in support of tax increases.

Rep. McDermott says that emergency unemployment compensation should be continued for individuals who are long-term unemployed. Employer groups expect a number of witnesses at this hearing to support the policy position that there should be a continuation of emergency unemployment compensation in addition to additional spending on training and government led job creation as the suggested solution.

According to a Sub-Committee press release, just under 46 percent of all unem-

ployed workers have been without work for over six months — more than anytime since record keeping on this statistic began in 1948. These 6.7 million long-term jobless Americans face a labor market with only one job available for nearly every six unemployed workers.

Absent temporary employment, no job growth in May

The Bureau of Labor Statistics' employment report for May does not paint a picture of self-sustained growth in the private sector: absent the census hires and private-sector temp worker hires, there was essentially no net job creation. The report showed an increase of 431,000 payroll jobs and an unemployment rate of 9.7 percent, a 0.2 percentage-point decrease from April's 9.9 percent. The vast majority of May's new jobs (411,000, or 95 percent) were temporary Census jobs that will disappear over the summer. Adding a mere 41,000 jobs, the private sector saw slower growth than it had in the prior three months, when the average was 146,000 a month. This May's modest gain in the private sector was a huge improvement over the loss of 334,000 private sector jobs in May 2009, but it is no where near a level that will put this country's 15 million unemployed workers back to work anytime soon.

Regulations for plating and polishing sources

Plating and Polishing sources affected by the National Emission Standard for Hazardous Air Pollutants (NESHAP) are required to submit a Notification of Compliance Status form by July 1, 2010.

See **REGULATIONS**, page 4

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

June 16, 2010 — Rockford

June 24, 2010 — Peoria

IMA Breakfast Briefing:

Health Care Reform and How it Affects You

Presented by attorneys from Michael Best & Friedrich LLP — 8:00-11:00 am. See ad, lower left, this page.

June 25, 2010

IMA-MIT Event: Strategic Planning and Goal Setting, DePaul University O'Hare Campus, 3166 S. River Rd., Des Plaines

The Strategic Planning and Goal Setting Workshop aims to assist managers and team leaders to plan strategically, set goals and objectives for their functional team, and align them with actions, as well as to demonstrate strategic thinking during everyday operations.

July 14, 2010

IMA-MIT Event: Consultative Selling Skills for Sales Professionals, DePaul University O'Hare Campus, 3166 S. River Rd., Des Plaines

The goal of any selling process is to earn and sustain a loyal and partnership-minded client base that will keep coming back. Be ready to turn your "lean and mean" sales team into "customer friendly" advisors your clients will trust to help them make complex buying decisions. Get a better grasp of the needs and vision of your customers, and leave with tools you need to develop great working relationships with key decision makers. Participants will be able to determine how their company's product can provide meaningful value to a client, even in a competitive or saturated market.

July 21, 2010

IMA-MIT Event: Essential Internal Training Skills and Techniques, DePaul University O'Hare Campus, 3166 S. River Rd., Des Plaines

Essential Internal Training Skills and Techniques is a one day workshop that will introduce the new internal trainer or subject matter expert to the skills necessary for them to be a successful trainer or facilitator. Essential Internal Training Skills and Techniques will cover core skills such as how to create rapport with your learner, how to communicate learning objectives, how to introduce a learning activity, how to ask the right question, and how to engage and reengage the adult learner. Know how to lead an effective class discussion. Learn how to ask the right question — each time, every time.

August 6, 2010

**IMA's Small Manufacturers Council
Ditka's Restaurant, Route 83 and 22nd Streets,
Oak Brook, 8:15 am-12:00 noon**

Contact: Jim Nelson, 800-875-4462, ext. 3023,
email: jnelson@ima-net.org

MARK YOUR CALENDAR . . .

WEDNESDAY, NOVEMBER 10, 2010

IMA Annual Sales & Use Tax Seminar

Presented by Joe Bigane, Wolf & Co.

NIU-Naperville Campus

\$125 IMA members and \$200 non-members

FRIDAY, DECEMBER 3, 2010

IMA Annual Luncheon

Hotel InterContinental, Chicago

Breakfast Briefings 2010 . . .

Health Care Reform and How it Affects You

JUNE 16 - CLOCK TOWER RESORT

ROCKFORD

<https://www.ima-net.org/breakfast0616.cfm>

JUNE 24 - PERE MARQUETTE HOTEL

PEORIA

<https://www.ima-net.org/breakfast0624.cfm>

Presented by attorneys from Michael Best & Friedrich LLP — 8:00-11:00 am

Health care reform has arrived! President Obama signed into law The Patient Protection and Affordable Care Act on March 23, 2010 and a package of amendments to this legislation, the Health Care and Education Affordability Reconciliation Act of 2010 (the "Reconciliation Bill") was approved on March 30th. Join us for a presentation and discussion about the short and long-term impact of this legislation. Key topics of discussion include provisions that become effective immediately; employers' responsibilities and potential penalties; impact on employee benefit plans; impact on employees' responsibilities; and exchanges and tax provisions impacting employers and benefit plans.

Cost per session: \$60 IMA member ♦ \$85 non-members

Questions? Contact Kimberly McNamara at kmcnamara@ima-net.org or 630-368-5300, Ext. 2109

This notification applies to facilities that meet the following criteria:

- The facility uses a process that includes electroplating (other than chromium electroplating); electroless or nonelectrolytic plating; other non-electrolytic metal coating (such as chromate conversion coating, nickel acetate sealing, sodium dichromate sealing and manganese phosphate coating) and thermal spraying; dry mechanical polishing; electroforming; and electropolishing, and
- The facility uses or has emissions of the following metal hazardous air pollutants (HAPs): cadmium, chromium, lead, manganese, and nickel. This does not include plating or polishing processes that use materials with less than 0.1 percent in weight of cadmium (Cd), chromium (Cr), lead (Pb), or nickel (Ni) and less than 1.0 percent of manganese (Mn) as reported on the Material Safety Data Sheet for that material.

New sources are required to comply and submit the form upon start-up. The form is available at

http://r20.rs6.net/tn.jsp?et=1103438701366&s=1035&e=001wDmSeffzO0_-L-l8yLON1FKMd2eHhutOF2zdvVgFwLzOesLDh3gCx7DAg6Tk-TuJWvNnhluMegvGAVL9epCO4FmRvPSivwrOfhTt8rUP9VG_n-gXlelPjz9YiGVWGbBZvUk3nosZUI3lChijG1rsEb dWARrt1_jbT_N9WFJIRbSC4b6_ZKdJEjDmfYnXkVtKGXVjjo-VR9SODQ-ZvArOYvm4amNK9h09

Form due for paints and allied products manufacturing facilities

Facilities impacted by the National Emission Standards for Hazardous Air Pollutants (NESHAP): Paints and Allied Products Manufacturing 40 CFR Part 63, Subpart CCCCCC standards were required to submit initial notification forms by June 1, 2010. Paints and allied products means materials such as paints, inks, adhesives, stains, varnishes, shellacs, putties, sealers, caulks, and other coatings from raw materials that are intended to be applied to a substrate and consists of a mixture of resins, pigments, solvents, and/or other additives.

The rule applies to any facility that manufactures paints and allied products and is an area source of hazardous air pollutant (HAP) emissions and processes, uses, or generates materials containing the following hazardous air pollutants: benzene, methylene chloride, or compounds

of cadmium, chromium, lead, and/or nickel, in amounts greater than or equal to 0.1 percent by weight, as shown in formulation data provided by the manufacturer or supplier, such as the Material Safety Data Sheet for the material.

More information on this rule can be found at <http://www.ildceo.net/dceo/Bureaus/Entrepreneurship+and+Small+Business/Regulatory+Compliance+Assistance/default.htm>.

Did you forget?

Chemical preparation facilities that are impacted by the National Emission Standard for Hazardous Air Pollutants (NESHAP) Area Source Rule, 40 CFR 63, subpart BBBB are required to have submitted an initial notification form by April 29, 2010.

Facilities impacted by this rule include those that conduct the mixing, milling, blending or extruding of industrial chemicals that contain chromium, lead, manganese, or nickel compounds. This rule does not cover non-industrial mixing or blending that occurs at a pharmacy, in a laboratory, or in a similar non-industrial setting.

Asphalt processing and asphalt roofing manufacturing facilities that are impacted by the National Emission Standard for Hazardous Air Pollutants (NESHAP) Area Source Rule, 40 CFR 63, subpart AAAAAA are required to have submitted an initial notification form by April 1, 2010.

This rule establishes emission limits for smaller asphalt and asphalt roofing manufacturers, but does not include hot-mix asphalt facilities or those companies that install built-up roofing.

Prepared feeds manufacturing facilities that are impacted by the National Emission Standard for Hazardous Air Pollutants (NESHAP) Area Source Rule, 40 CFR 63, subpart DDDDD are required to have submitted an initial notification form by May 5, 2010.

Facilities that are impacted by this rule are those that are primarily engaged in manufacturing animal feeds. A facility is "primarily engaged" if their production of animal feed comprises more than 50 percent of their total annual production. Additionally, the facility must use material that contains chromium in amounts ≥ 0.1 percent by weight, or material containing manganese in amounts ≥ 1.0 percent by weight.

Printers: New August 1, 2010 reporting deadline

The Illinois Pollution Control Board has proposed major changes in reporting requirements for printers in the Chicago and St. Louis Metro East nonattainment areas of the State defined as: Cook, DuPage, Kane, Lake, McHenry and Will Counties, and Aux Sable Township and Goose Lake Township in Grundy County and Oswego Township in Kendall County and Madison, Monroe and St. Clair Counties.

The proposed rule requires that rotogravure, flexographic, lithographic and now letterpress printers certify to the Illinois EPA that the facility is exempt from the proposed rule or in compliance with the proposed rule requirements by August 1, 2010. Certifications may require the printer to list all inks and coatings that are applied each day for each printing line, as well as their VOM content, and/or any supporting calculations.

U.S. encourages China to enhance open environment for innovation

Senior U.S. trade officials have encouraged China to create an open environment for innovation and make progress on other priority trade issues at the first-ever Mid-Year Review Meeting for the U.S.-China Joint Commission on Commerce and Trade (JCCT). The meeting allowed the two governments to take stock of our trade and investment relationship and identify key policy concerns.

The recent meeting helps promote open trade and cross-border investment, create an open environment for innovation, and enhance transparency and the rule of law. The groundwork has been laid for a successful JCCT later in 2010 that will help spur economic growth and job creation. Government is working to leverage the JCCT as well as other forums with China and other countries to help achieve President Obama's goal of doubling U.S. exports in the next five years.

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