

THE VIRGINIA MANUFACTURER

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OFF THE LINES

As you may have read in the newspaper, Dan Snyder, owner of the Washington Redskins, sought to alter the Workers' Compensation Act through Senate bill 1323 and House bill 2747. The VMA spoke out against those bills not only because it was a pure preference to one employer, but also because it's long term consequences would be detrimental to businesses in Virginia.

Employers in Virginia who have short-term disability plans, long-term disability plans, and in some cases, permanent and total disability plans (payments to employees for life) negotiate with their employees and/or unions concerning the manner in which those plans should be treated for purposes of repayment in the event an injured worker receives workers' compensation benefits.

Absent agreement between the employer and employee to the contrary, employers in Virginia are credited for each week in which payments are made under those plans for workers' compensation purposes.

Rodney Sobin, Virginia Department of Environmental Quality

Steam is critical in many industries for treating and processing materials, powering equipment, generating electricity, and space heating. The U.S. Department of Energy (DOE) estimates that over 45 percent of the fuel burnt by U.S. manufacturers is for raising steam at an annual cost of over \$18 billion.

The cost of steam is more than monetary. Nitrogen oxides, sulfur dioxide, carbon monoxide, and particulates are among the major air pollutants released by fuel-burning boilers that affect human health and the environment. Fossil fuel burning also releases the greenhouse gas carbon dioxide.

Enhancing steam system efficiency can save industry money and improve productivity while

Charles F. Midkiff, Esq.

Mr. Snyder's contract with his employees has been interpreted in repeated arbitration decisions to mean that he would be entitled for credit for the weeks in which he made payments to his players, which is consistent with manner in which all other employers in Virginia are credited for these payments.

Mr. Snyder's proposed legislation would have altered the Workers' Compensation Act to provide solely to this employer a dollar for dollar credit (rather than credit for weeks paid). The above business representatives sided with labor that Mr. Snyder's particular problem should be dealt with in negotiations with his players, not by changing the Workers' Compensation Act.

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STEAMING TO NEW HEIGHTS

helping protect the environment. According to DOE, a typical industrial facility can achieve 20 percent steam savings through improved maintenance, processes, and equipment. If translated across the Nation's manufacturing base, the annual savings can amount to \$4 billion dollars as well as avoidance of 35 million tons of pollution.

See Page 3 for continuation

Special Interest Articles:

- Check your EPA data
- Permit Fees to Change
- Shipping Charge Changes for 2003.

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EPA'S ENFORCEMENT AND COMPLIANCE HISTORY ONLINE

Information Supplied By NAM Washington News Line

Some companies have reported a large percentage of errors in their facilities' data on the EPA's new Web site, the Enforcement and Compliance History Online (ECHO), which contain searchable, facility-level enforcement and compliance information. If your company has discovered errors in their facilities' reports, please contact the VMA office at (804) 643-7489.

The ECHO Web site can be found at www.epa.gov/echo. The Federal Register notice seeking public comments can be found at www.nam.org/rep. Please contact the VMA with your *assessment of ECHO* and any *general comments* on the Web site. A similar OSHA site can be found at <http://osha.gov/cgi-bin/est/estl>.

Please make sure to check all of your company's data to insure accurate reporting is being released for public view.

Nuts and Bolts: Upcoming VMA Events



Calendar

March 21-22, 2003

VMA Board Meeting and Legislative Briefing
Boar's Head Inn, Richmond, VA

March 24, 2003

VMA Legislative Briefing
The Capital Club, Richmond, VA
Roanoke, VA (Site to Be Determined)

Please contact Judy MacKenzie at judy@vmaonline.org to register for the meeting. Contact the Boar's Head Inn to make accommodation arrangements.



Announcements

The VMA would like to congratulate Sheryl Raulson of International Paper in being named as the VMA's representative to the Department of Environmental Quality's Drought Assessment and Response Team Technical Advisory Committee mandated by Governor Warner's Executive Order 39.

We are pleased to welcome Compass Energy Services, Inc., Mid-Atlantic Smith, Trinity Consultants, Sands, Anderson, Marks, and Miller, Riverside Logistics, Smithfield Foods, Inc., and Jewett Automation, Inc. as the newest members of the VMA.

Please join the VMA in announcing the acceptance of Jeffrey Steers as the new Regional Director for the Northern Regional Office of the NRO

Continuation of Steaming to New Heights

Cost effective improvements can be found at all stages of steam systems-generation, distribution, use, and recovery. Measures include insulation, steam trap maintenance, optimizing boiler blow down, leak repair, keeping heat exchange surfaces clean, water treatment, proper sizing, combustion controls, and improving condensate return and heat recovery, among others. For example, a plywood plant case study found \$138,000 dollars in annual savings from insulation and increased condensate return.

The DOE Best Practices Steam web site at <http://www.oit.doe.gov/bestpractices/steam> (<http://www.oit.doe.gov/bestpractices/motors>) offers relevant technical and financial tools, publications, and links. Commercial and professional association links provide training and technical resources.

Some manufacturers should consider combined heat and power (CHP) as a way to reduce energy costs and enhance power reliability. Facilities can assess CHP feasibility by using the “walk through analysis” tool at <http://www.eren.doe.gov/der/chp/chp-eval.html>.



Enhancing steam systems is a good way to marry good business practice with environmental stewardship.

A Glimpse into the Future...

Manufacturing Education Consortium

What if you could be confident that there would be many well-qualified potential candidates for positions within your company, even before the openings actually occurred? What if there was a large, diverse group of students enrolled in curriculums focused on your workforce needs? What if you could have continuous access to a pool of mathematics, basic computer skills, quality, SPC, mechanical principles, oral communication, critical thinking skills, teamwork, and work ethic? Does this sound too good to be true? The goods news is that this dream is very close to being a reality and you as a manufacturer in the Richmond region have a unique opportunity to become part of this success story.

Currently there are approximately 325 students enrolled in Chesterfield County Public Schools (about 150 projected to graduate in June) and 12 projected spring graduates at John Tyler Community College in specialized curriculums endorsed by the Manufacturing Education Consortium (MEC). A number of the spring graduates will immediately enter internships or satisfy

the employment needs of participating MEC manufacturing member companies.

What is MEC? The MEC is a proactive group of manufacturing employers and educators who have joined together to design a foundation for training tomorrow’s qualified workforce for manufacturing. It simply makes sense.

Area manufacturers are working with high schools and colleges and Workforce One, an initiative of the Greater Richmond Chamber of Commerce, to develop a program that fills a need. Everyone wins!

The MEC is a proactive group of manufacturing employers and educators working to recruit and train qualified manufacturing workers.



A Glimpse into the Future...Continued

We need additional manufacturers to join the MEC team. We are interested in any new members but particularly those planning to hire entry level employees in the next two years and those who could provide even one part-time or summer internship for a strong high school student enrolled in an MEC-endorsed curriculum. We see these internships as an excellent opportunity to increase the visibility of manufacturing career opportunities (one of our missions) and to provide manufacturing

employers with a good look at a potential employee (s) trained in the skills required for manufacturing without any commitment to hire.

How can you learn more about the MEC and the many benefits that participation can offer? Please visit the MEC section on the Workforce One website by clicking under the Manufacturing heading on the homepage at <http://www.wfl.org/default.asp>.

Nickels and Dimes: Shipping Charges Rising

Provided By Riverside Logistics

Freight companies recently increased their rates on small packages for the coming year. FedEx, UPS and Airborne all announced rate hikes in January.

	FedEx	UPS	Airborne
Ground Shipments	3.9%	3.9%	3.9%
Air	3.5%	3.2%	3.0%
International	3.5%	2.9%	4.0%
Residential Surcharge	\$0.05	\$0.05	N/A

According to Keith Hamlett, president of Riverside Logistics, "Fuel prices have not gone up and the escalations in insurance costs associated with September 11th have already been worked into prior increases, so our read is that these increases are tied to UPS's use of the Internet for shopping. Some people are wondering if this Christmas' up tick in web buying signals that true shift in consumer behavior toward e-commerce that everyone has been waiting for – a shift that could give local and regional retailers a fighting chance with the mega retailers."

The bulk of these increases are likely to fall on small to medium size businesses that do not ship enough small packages to negotiate significant discounts with these carriers. Riverside works with companies to help them get better pricing with these kinds of shippers by aggregating the freight buying of lots of companies. To the extent Riverside can buy like a bigger company, it can pass those savings onto its customers. For instance, a five pound

FedEx package going to Chicago with a delivery of next day AM standard delivery is \$35.79 today without fuel surcharges. This compares to a Riverside price of \$16.82 that they negotiate for their clients.



Off The Lines: Continued From Page 1

Such preferred legislation could lead to a number of harmful side effects, such as;

1. Carving up the Workers' Compensation Act for purposes of various special interest groups.
2. Provide labor with an excuse to argue that employees earning pre-injury more than \$681.00 per week (the maximum workers' compensation payments) should be provided with 100% wage replacement on a dollar for dollar basis (a potentially catastrophic result for all employers in Virginia).
3. The legislation would encourage employees to lobby for special, preferential legislation under the Workers' Compensation Act, particularly in employment positions with a greater risk of injury.
4. This bill represented bad public policy in using the legislature to arguably undo prior contractual commitments at the bargaining table.

As Senator Stolle noted during the Senate Committee Hearing on the bill, it appeared Mr. Snyder had already agreed to make these payments and was attempting to alter commitments. Indeed, the Commissioner of the National Football League during Super Bowl weekend just prior to the Senate Hearing on Monday the 27th of January stated:

Commissioner Tagliabue: "On the Redskins' workman's comp issue, I've been involved in the NFL for 35 years. And I think that it was about 34 years and 364 days ago that there was a battle in the legislature over workman's comp. I talked to Gene Upshaw yesterday. He's been involved for 20 years in the NFLPA (National Football League Players' Association) and most of those 20 years he's been running around arguing with teams about workman's comp in state legislatures. It's an issue that we should resolve at the collective bargaining table. We have a committee working on it with the Players Association. The best way to resolve it would be to make our Collective Bargaining Agreement compatible with a national system of workman's comp. It gets to be complicated, but that's what Gene and Harold Henderson are trying to do. And we had a moratorium for awhile about running to state legislatures and lobbying, and we're going to try keep this as a collective bargaining issue and not as a state regulatory issue."

The VMA agreed with the Commissioner of NFL and so did the Senate Committee in voting against this bill on a 9-4 vote. Ultimately, the bills were withdrawn and Mr. Snyder's representative thanked the legislature for bringing management and the players together for more talks on the subject.

*"It is only through
labor and painful
effort, by grim energy
and resolute courage
that we move on to
better things."*

-Theodore Roosevelt

OSHA Revises Standard on Emergency Exit Routes

Permission granted by the National Safety Council, OSHA Up To Date, Vol.32, No.1

OSHA revised its Exit Routes, Emergency Action Plans, and Fire Prevention Plans Standard effective December 7, 2002. The revised standard has been rewritten in a user-friendly format that will be easier to understand, the agency said.

The previous standard was written 30 years ago. Recent changes include reorganized text, removal of inconsistencies and duplicative requirements, fewer subparagraphs, and fewer cross-references to other OSHA standards. As an example, the term "Means of Egress" is now

referred to as "Exit Routes."

Additionally, employers have the option now of adopting the National Fire Protection Association's Life Safety Code instead of the OSHA standard for exit routes. OSHA said it evaluated the fire association's standard and concluded that it provides comparable safety.

The revised standard offers more compliance options for employers, but does not change an employer's regulatory obligations as noted in the original standard, nor does it change the safety and health protections that must be provided to employees, OSHA said.

Raining On the Parade: Rising Permit Fees

Robert Robinson, VMA Environmental Director

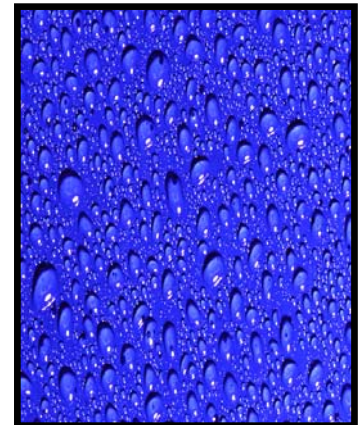
Delegate Plum (D-Reston) introduced legislation that would require permittees to underwrite not only the cost of issuing a permit but would also cover the cost of DEQ's entire water and waste programs; including but not limited to monitoring and investigations. Recognizing the opposition and that the Secretary of Natural Resources is mandated by a 2002 budget amendment to develop a long-term plan to adequately fund the water, solid and hazardous waste regulatory programs, Delegate Plum decided to let the bill die by laying it on the table.

DEQ is currently conducting the mandated study for the Secretary and VMA has two seats at the table. The report is due by November 14, 2003 and it is surmised

legislation addressing the issue will be developed so that it can take affect when the current water and waste fee legislation sunsets on July 1, 2004.

We are looking for innovative suggestions and recommendations to support the funding of the agencies, short of fee increases. Any input is appreciated. Contact Bob Robinson, or Cal Whitehead at the VMA for more information.

Please email Bob Robinson at: rrobinson@vmaonline.org, or Cal Whitehead at: cwhitehead@whiteheadconsulting.net for more information on this matter.



*"If you follow reason far enough it always leads to conclusions that are contrary to reason."
- Samuel Butler*



VMA Files Petition with DEQ to Incorporate EPA's NSR Reform Rule

Robert Robinson, VMA Environmental Director

On February 3, 2003, the VMA filed a petition with the DEQ to incorporate the EPA's new NSR reform regulations into Virginia state regulations. The reforms request streamlining the process of reviewing and permitting projects that keep Virginia's manufacturing facilities competitive in today's economy. The Association and others have repeatedly pointed out the old rules are counterproductive because they discourage changes at facilities that would decrease overall emissions. Adoption of the federal NSR reforms into Virginia's major and minor NSR regulations would have a significant overall beneficial impact on the

environment and businesses of Virginia. The state has three years to incorporate the rule into Virginia rules and regulations. VMA has urged the Air Board to act expeditiously. Ten states from the northeast are challenging the EPA rules in federal court. The Virginia Attorney General has joined officials from seven other states in filings to support the new federal rules. The federal rules were published in the Tuesday, December 31, 2002 *Federal Register*.

<http://www.epa.gov/air/nsr-review/02-31899.pdf>

Shifting Sands: New Ways to Save Money through VMA Membership

As a member of the Virginia Manufacturers Association, you have the benefit of free consulting services and discounts on a variety of services and products. We have used our buying power to develop competitive programs through a network of affinity partners. Please contact Joe Croce in the VMA office for more information at (804) 643-7489 ext. 17, or via email at jcroce@vmaonline.org.



Riverside Logistics provides a full array of transportation and logistics consulting services. As a service to our members, they will provide a free audit of your transportation, logistics and supply chain program. Please contact Keith Hamlett at (804) 474-7713 to schedule an appointment. Member Value of \$1,500.00



Long-term care costs are on the rise, and this type of care is not covered under traditional health plans. John Hancock is offering this as an individual policy discounted to the employees of our member firms. Contact Matthew Brotherton at (804) 648-6232. Member Value equals 20% off of premiums.



INSURANCE SERVICES, INC.

Both of these organizations are existing affinity partners providing four group insurance products to our members. These products include: Life/AD&D, Dental, Long-Term Disability, and Short - Term Disability. Contact Kathy Estes, from BB&T Insurance Services at 1-800-942-9496, or via email at krestes@bbandt.com for more information on these benefits. Call about preferred discounts to VMA members!



Avis and Hertz are both affinity partners and are offering discounts to our member firms and their employees on auto rentals. Each of our members receives an ID card that is to be used when making reservations. Avis will soon be providing a link to the VMA website that will allow rate review and reservations to be made online.



Trident National Corp. can provide members with a Drug Free Workplace Program at reduced costs and in certain instances FREE. Implementation of this program will gain your organization a mandatory 5% reduction in workers' compensation premiums. Trident uses only SAMSA approved laboratories and offers the oral fluid test. Contact Robyn Cagle at 1-800-849-2264, (804) 354-0697, or info@trident-national.com for more information.



Falcon Communications Solution, Inc., is a full service telecommunications provider that will assist members with a variety of business telephone needs. In addition to offering competitive per minute rates, they can offer recommendations on telecommunication design and effectiveness. For a complimentary evaluation of your entire business communications system contact, Dave Goudy at (703) 393-2039, or visit the website at www.falconcom.net.

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We're on the Web!

See us at:

www.vmaonline.org



AON provides VMA members with supplemental insurance purchased by the employee. Through AON's U-Select program, companies can expand their employee benefits at no cost to the employer. The employee pays no more than one hour's wages for the selected benefit. As a benefit to the employer, AON will provide customized software at no cost that will help your employees to understand their hidden paycheck and benefits. Please contact Joe Croce in the VMA office for more details.



Focus point is a provider of tele-media marketing solutions for business. The On Hold Solution® provides callers placed on hold with a customized message that will enhance your image, cross sell your products and services and overall increase levels of customer satisfaction. Please contact Joe Croce in the VMA office for more details.



Vectec offers e-commerce services to small and mid-size Virginia Businesses. Services include: E-Commerce Consulting, Web Site Design and Development, Shopping Systems and Custom Database Development, E-government Assistance, Nonprofit Assistance and Education Programs. Please contact Bill Muir at (757) 594-7092 to see how you can maximize your organization's web potential!

Good Workers, Good Business, Goodwill.

Article provided By Dan Williams, VMA Board Chairman

Let Goodwill help your business grow! Goodwill's industrial services division provides packaging, assembly, confidential document destruction, and mailing services to companies, both small and large. Off-site work, such as custodial and shelf-stocking services are available as well for both public and private sectors. Best of all, your dollars go back into the community, to support education, training and job placement programs for people who have been blocked out of the workforce, including individuals with disabilities and disadvantages.

By outsourcing services to Goodwill, you'll find that your own employees can be used more productively, your space can be used for more profitable operations, customer needs can be met more easily, and you receive a better value for your dollar. Goodwill also has the staff, equipment, experience and supervisory

support to handle your job, and can even train workers to meet the specific demands of your business.

Need workers? Consider hiring a qualified candidate from Goodwill Temporary Services, a full-service temporary employment agency. Save time and let Goodwill do the recruiting, testing and reference checking for you! Associates are available for short and long-term assignments for a variety of positions including clerical and data entry, office administration, customer service, packaging, assembly, and mailing services, production, food service, and light industrial and janitorial. Temporary to hire services are available with no conversion fee after 90 days of full-time work! Revenue from Goodwill Temporary Services, like other business units, allows program graduates to be placed in jobs, becomes taxpayers and gain personal empowerment. Employers receive trained, dedicated workers, and the whole community benefits!

Call 745-6300 today for a free estimate, or to schedule a facility tour. To learn more about how Goodwill can help your business, visit www.goodwillrichmond.org.