Manufacturers Digest

What's in this Publication

- Chairman's Message
- Newsletter Ad information
- DIDI Update
- Intellectual Property
 Protection Abroad
- Director's Message

Q4 2024

-Candice Pineau, QGM Grinding:

Candice Pineau - Chair of the Board



BNMA MPower Conference & Tradeshow: A Hub for Manufacturing Growth and Learning

The Buffalo Niagara Manufacturing Alliance (BNMA) is thrilled to announce the MPower Conference & Tradeshow set for October 22, 2024, at the Amherst Marriott. This event represents a tremendous opportunity for local manufacturers and their employees to gain industry insights and strengthen their networks. The MPower Tradeshow has long been a staple event for our region's manufacturing sector, but this year, we're elevating it by adding a full conference component, designed to bring even more value to participants.

Our primary goal in adding the conference is to create an accessible, low-cost platform for learning. Manufacturing is an industry that thrives on innovation, and continuous education is essential to maintaining a competitive edge. Through this event, BNMA is providing attendees with the chance to hear directly from 12 subject matter experts across key areas like supply chain management, IT compliance, marketing, and Industry 4.0. These experts will offer practical, actionable advice that manufacturers can apply immediately in their operations.

For example, supply chain experts will share strategies on how companies can better navigate the complexities of today's global logistics environment. With the rise of cyber threats, IT compliance has become an urgent priority for manufacturers of all sizes, and we're eager to provide essential knowledge on this topic. Meanwhile, Industry 4.0 continues to revolutionize manufacturing, and our sessions will delve into how businesses can effectively implement advanced technologies like automation and smart data systems. We believe that equipping local manufacturers with these tools and insights will help strengthen the region's industrial base.









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A BIG Round of applause for our 2024 Major Sponsors for their ongoing support of the BNMA. We do a lot of things behind the scenes in terms of advocacy, ongoing workforce development. Their support allows us to focus on what we do best, which is representing manufacturers in Western New York.

In addition to our commitment to advancing local manufacturing, BNMA is excited to strengthen our strategic partnerships, particularly with MAST and Dream it Do it WNY. Dream it Do it WNY is a crucial initiative aimed at exposing students to the vast opportunities within advanced manufacturing and skilled trades. We recognize that the future of our industry lies in developing the next generation of talent, and this partnership aligns with our vision to inspire and equip young people to pursue careers in manufacturing.

With two Dream it Do it directors hired, each of them will work directly with local high schools and manufacturers. Their mission is clear: to expose 8th to 12th graders to the exciting possibilities in manufacturing, from cutting-edge technology to hands-on skilled trades. By engaging students at this critical age, we hope to cultivate an interest in manufacturing careers and provide them with pathways to enter the industry. This partnership represents a long-term investment in both our workforce and our community, as we seek to bridge the skills gap that many manufacturers are facing today.

The MPower Conference & Tradeshow isn't just an event; it's an opportunity for growth and collaboration. As Chair of the BNMA, I encourage all our members and supporters to attend and to spread the word. We are always looking to grow our network, so if you know a company that would benefit from being part of the BNMA, please refer them. The stronger our alliance, the greater our collective impact on the region's manufacturing landscape.

We are confident that the 2024 MPower Conference & Tradeshow will be a powerful resource for manufacturers, educators, and students alike. Together, we can continue to build a thriving,

innovative, and sustainable manufacturing community here in Western New York. Let's Dream it and Do it, together.

Thank you to our BNMA Strategic Partner for their commitment to WNY Manufacturing



A Message from your Executive Director—Peter Ahrens



Buffalo Niagara Manufacturing Alliance (BNMA) Newsletter: Reflecting on 2024

A Message from the Executive Director: Looking Back on a Milestone Year

Dear BNMA Members,

As 2024 comes to a close, I'm proud to share some highlights of a truly remarkable year for the Buffalo Niagara Manufacturing Alliance. With your support, we achieved new milestones in attendance, workforce development, and collaborative initiatives that are shaping the future of manufacturing in our region.

Record-Breaking Attendance

I'm thrilled to report that total attendance at our member events in 2024 surpassed that of 2023! This increase reflects the growing engagement and enthusiasm within our community. As Chair Candice Pineau mentioned in her recent message, feedback from this year's events was overwhelmingly positive. During our kaizen sessions, some "ah-ha" moments provided valuable insights for improvement.

For those of you who attended but have not yet provided feedback, I'd love to hear your thoughts—constructive or otherwise. Your input is invaluable as we plan for the future.

One question we're considering for 2025's MPower event is the format. While the conference component was well attended, we'd like to know your preference: should we bring back the conference format with some modifications, or would you prefer a straightforward trade show? Let us know your thoughts so we can make 2025 even more impactful.

Workforce Development Successes

Workforce development remained a key focus for the BNMA in 2024, and we've seen incredible accomplishments thanks to collaboration and member input. Here are some highlights:

1. Machining Basics Course

- o Based on feedback from our Machine and Fabrication Group, Northland launched a 12-week Machining Basics course. The program, which began on June 17 and concluded in September, had 14 graduates.
- o Of those graduates, 10 have already secured employment in machine shops, while 4 are eager to begin their careers. If you're looking for talented individuals to join your shop, reach out—let's help these grads find their start in manufacturing.
- o Two additional sessions of the Machining Basics course are planned for 2025. Stay tuned for details.

o Finishing and Deburring Basics Course

o In collaboration with the Manufacturing and Technology Workforce Coalition, the BNMA worked with four employers to design a 12-week Finishing and Deburring Basics course. With financial support from WDI, Northland added five new benches, increasing capacity to 10 students per session.



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o This tuition-free course attracted 140 applicants, with 60 advancing to online interviews. Ultimately, 20 individuals interviewed with participating companies, and the first cohort is on track to graduate. Additional courses are planned for 2025—if you have a need for skilled finishers, let me know.

o Support for Displaced Workers

In response to the recent layoffs at Sumitomo, the BNMA is organizing two job fairs to connect displaced workers with new opportunities. Dates will be announced soon, so stay tuned for more information. **BlueForge Alliance: Building for the Future**

The BNMA has made significant progress with the BlueForge Alliance initiative. Here's where we stand:

• We retained Inyste Consulting, our regional MEP, to survey 78 current suppliers (tiers 3, 4, and 5) to identify barriers to increasing output for the Maritime Industrial Base (MIB). The goal is to accelerate nuclear submarine production by addressing supply chain needs.

Moving forward, the BNMA will work with existing suppliers and reach out to you, our members, to explore how you can become suppliers to the MIB. We are organizing informational sessions with senior officers from the U.S. Navy and executives from BlueForge. Stay tuned for updates on this exciting initiative. A few important notes on advocacy: Through the collective efforts of the NYS Manufacturing Alliance and our lobbyist, Ostroff Associates, we believe our work has made significant progress toward achieving tax parity between S Corporations and C Corporations in Governor Hochul's 2025 budget. While this is by no means guaranteed and will require much more hard work, the BNMA and our sister organizations are committed to advocating strongly to ensure its inclusion in the final 2025 budget. I have a link in the Manufacturers Minute for you to sign on for your support. Let you voice be heard.

Talking about good fight, your BNMA and the NYS Alliance will continue to work with our assembly members and state senators as well as Ostroff to ensure the Covid Sick Leave law sunsets in July of 2025.

Looking Ahead

Thank you for making 2024 such a success. Your participation, feedback, and collaboration are what drive the BNMA forward. I'm excited about the opportunities ahead and look forward to working with all of you to continue strengthening our region's manufacturing community.

Here's to an even more successful 2025!



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- Terry Galanis, Jr., CEO, Sealing Devices

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Case Study: American Douglas Metals – Quality Management System Development and Implementation

American Douglas Metals, Inc. (ADM) is a premier metal service center for a wide variety of aluminum and steel products with over 40 years of experience in the industry. ADM provides the US manufacturing sector with complete service options, including processing, fabrication, assembly, warehousing and distribution.

Improving and implementing the Quality Management System to achieve the ISO 9001:2015 certification was the next logical step for our Company's continued growth. The dedication and commitment of the ADM team, guided by Insyte's experienced consultant, paid off. This is a milestone we are all proud of!

- Kevin Blake, Vice President

SITUATION

ADM had established processes and had performed well with regards to productivity and quality. The challenge that existed was that these processes were not as formally documented as management would like. In addition, communicating this information with a growing workforce presented challenges.

SOLUTION

To effectively develop a Quality Management System, ADM chose to partner with Insyte to develop and implement the needed elements of the system. Management review meetings were established early to communicate progress with the management team. Documents were developed through discussions and review with ADM personnel. The quality management system documentation was introduced to employees in small groups. This provided opportunities to ensure that employees understood and were comfortable with the requirements. Internal auditors were trained, and audits were initiated soon after. The audits were purposely started in an informal manner to get employees comfortable with the types of questions that will be asked. The informal audits also provided them an understanding of how these questions verified the system.

There was a concern raised that members of the organization were not comfortable in developing corrective actions or going through root cause analysis to address nonconformities. A second project was initiated to provide training and application of these skills. In addition, this allowed for additional support for continuing internal audits.

RESULTS

After several months of the system being in place and with regular internal audits, management review actions and corrective action activities, the company went through the certification audit and was awarded certification.

- First pass yield improved by 14%
- On Time Delivery improved by 7%
- Retained 100% of existing customers and added 60% of additional sales.

By Insyte Consulting

Dream It Do It Western New York and the DIDI Advanced Manufacturing Program: Empowering the Future of Manufacturing in Western New York Western New York

Dream It Do It Western New York (DIDIWNY) is at the forefront of bridging the gap between education and industry by energizing the early talent pipeline for the region's manufacturing sector. Through its flagship initiative, the Dream It Do It Advanced Manufacturing Program (DIDIAMP), the organization is empowering students and fostering critical connections between schools, students, and manufacturers.

About DIDIWNY and DIDAMP

DIDIWNY serves as a regional hub for talent pipeline development, offering programs and partnerships designed to inspire and prepare young talent for careers in advanced manufacturing. At the heart of this mission is the DIDI Advanced Manufacturing Program (DIDIAMP), which is connecting middle and high school students to manufacturing careers through applied learning opportunities. In addition, DIDIAMP emphasizes the importance of a strong work ethic such as perseverance, critical thinking, teamwork, and punctuality. These skills are validated through a badging and certification system and collaboration with school personnel, ensuring that graduates are career-ready upon entering the workforce.

Launched in Chautauqua County and now expanding into Erie and Niagara counties, DIDIAMP connects students with manufacturers. These connections are built through manufacturing technology tours and applied learning event opportunities that bring students and manufacturers together. Further connections are built through work experience opportunities such as internships, mentoring, and job shadowing. Its innovative approach is reshaping workforce development across the region.

Key Metrics for 2024-2025

DIDIWNY has set ambitious targets to expand its impact during the 2024-2025 school year:

- **Engagement:** Reach 2,700 students through 87 applied learning events. Connect with 90 teachers, counselors and administrators through six TCAM (teacher, counselor administrator, manufacturer) Camps
- **Student Enrollment:** Enroll 1050 students in DIDIAMP be the end of 2024-2205 school year.
- School Partnerships: DIDIWNY is building partnerships with school districts throughout the region.

Manufacturer Engagement: DIDIWNY is establishing connections with manufacturers, ensuring their alignment with DIDIWNY programming.

Upcoming Events for 2025

DIDIWNY has an exciting lineup of events planned to inspire students and engage industry leaders:

• STEM Wars and Support of Tech Wars Events: Students on an annual basis compete with a variety of hands-on projects that are built at the student's home districts at three large events across the region.

- Girls in Manufacturing Camps: The Girls in Manufacturing Camps are a series of one-day hands-on applied learning experience designed to empower and encourage girls to consider careers in manufacturing. During the event girls go through all stages of the manufacturing process and use equipment including mills, lathes, CNC machines, welding and fabrication equipment. During the day participants are introduced to professional women in the area who work in manufacturing.
- TCAM Camps (Administrator, Counselor, Administrator and Teacher Camps): This series of two day camps will foster collaboration between schools and manufacturers.
- Manufacturing Mayhem Summer Camps: The Manufacturing Mayhem Technology Camps are a series of week-long project-based experience that focuses on the steps in the manufacturing process and helps students understand the importance of problem solving, communication and team-work. Students meet with representatives from local manufacturers during the week and learn more about career opportunities in manufacturing. At the finale of the week students compete with the projects they created during the week.
 - **DIDI Manufacturing Technology Tours:** Manufacturing Technology tours of manufacturing facilities highlight innovation in our region. Through technology tours students have an opportunity to tour manufacturing facilities, better understand the products made in the region, the technology within the facilities and the career opportunities that are available.

These events aim to build awareness, spark interest, and prepare students for real-world opportunities in manufacturing.

The Role of Technology: The Tallo Platform

Central to DIDIWNY's strategy is the use of the Tallo platform, a digital tool that connects students with manufacturers. Tallo provides manufacturers with access to a talent pool and tools for communication. The platform enables DIDIWNY the ability to badge students for program participation.

To further expand access to the platform, in partnership with Tallo, DIDIWNY is offering 40 free subscriptions to manufacturers and post-secondary institutions for one year, building a robust pipeline of future talent.

Get Involved

Manufacturers are encouraged to join DIDIWNY's mission by:

- Offering job shadowing, mentoring, internships, apprenticeships, part-time and full time work opportunities for students aged 13-18.
- Participating in upcoming events to showcase career opportunities in manufacturing.
 Leveraging the Tallo platform to connect with local talent.

Connect with our DIDI Directors to learn more about the Dream It Do It Advanced Manufacturing Program and to get involved:

Chautauqua County Director: Cindy Aronson caronson@didiwny.com

Erie County Director: Stephanie Morris, smorris@didiwny.com
Niagara County Director: Allison Sharpe, ssharpe@didiwny.com

DIDIWNY President: Todd Tranum, ttranum@didiwny.com

Learn more about Dream It Do It Western New York at www.didiwny.com.



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- Sales Tax Exemption: savings (8.75%) on the purchase of non-production equipment and construction materials
- Mortgage Tax Exemption: .75% savings of mortgage recording tax amount

Light Manufacturing Land Development

Renaissance Commerce Park, a thriving advanced manufacturing campus located in Lackawanna where the former Bethlehem Steel plant once stood, has 90 acres available for light-medium industrial, warehouse/distribution development.

Upcoming Shift 2.0 Robotics Training Courses

Take your team's skills to the next level with hands-on robotics training through the **Shift 2.0 program** at Buffalo Manufacturing Works. These courses are designed to help manufacturers integrate robotics into their workforce with confidence and expertise.

All classes are held at **Buffalo Manufacturing Works**, **683 Northland Ave**, **Buffalo**, **NY 14211**. For more information about the Shift 2.0 program and to enroll your team, please contact **Carol Burns at**

cburns@ewi.org.

Robotics Basics: A Hands-On Workshop

• **Date:** March 26, 2025

Time: 8:00 AM – 4:00 PM This one-day course offers hands-on experience with industrial and collaborative robot platforms. Participants will learn essential safety considerations and explore practical applications for integrating robots into their operations.

Robotic Integration Course

• **Dates:** March 3-7, 2025

Time: 8:00 AM – 4:00 PM This hybrid course combines online coursework with three days of in-person instruction. Participants will cover robot selection, operation, setup, and programming (basic and intermediate) for industrial and collaborative robots.

Fundamentals of End-of-Arm Tooling (EOAT) and Robotic Vision System Course

• **Dates:** April 16-17, 2025

• **Time:** 8:00 AM – 4:00 PM Designed for those with prior robotics experience, this course focuses on safety devices, EOAT, and vision system integration with collaborative robots. (*Prerequisite: Completion of the Robotics Basics course, Robotic Integration course, or equivalent experience.*)

Don't miss this opportunity to empower your workforce with the skills needed for the future of manufacturing!





HYDRAULIC AND PNEUMATIC TRAINING

HYDRAULIC SAFETY

In a recent study by the Occupational Safety and Health Administration (OSHA) They found that manufacturing accounted for 26% of work related hospitalizations and 57% of work related **applications** – Both higher than any other industry in the United States.

The statistics such as these explain why, for both OEMs and end- users, there is considerable interest and focus today at improving production machinery safety and incorporating training of those working on or near the machinery.

It is vital for manufacturing companies to ensure the safety and health of their employees who are engaged in the installation, operation, adjustment, and maintenance of production equipment.

As an example:

The sudden reintroduction of pressurized oil into a hydraulic system can cause unintended and sudden motion of components. This increases the risk of damage to the machinery itself, or else causes the products retained by fixtures or clamps to move or drop – resulting in damage, spills, lost products, and scrap. By trying to avoid this damage and maintain expected output, some operators may be tempted to allow some machinery to remain active when it should not be, thereby inadvertently exposing themselves and their operations to increased risk.

The increase in work related manufacturing "preventable deaths", increased from 347 in 2021 to 363 in 2022 – the latest information available. That is approximately one a day; and at the same time 490,000 injuries requiring medical attention occurred.

A sudden and unexpected release of even a very small quantity of high pressure oil (above 100 psi) can result in an "OIL INJECTION INJURY". A devastating injury requiring immediate surgical intervention – in less than 6 hours...

Fluid Power, like Electrical, can be an unforgiving entity when utilized by either untrained or marginally trained individuals. It is surprisingly fast, devastatingly powerful, and unforgivingly life-changing should an accident occur.

According to the National Safety Council, every 7 seconds, a worker is injured on the job. Each day in this country, an average of 14 workers die because of job injuries—women and men who go to work, never to return home to their families and loved ones.

According to the National Safety Council, of the Top Five workplace injury locations – Number #3 is "Manufacturing Production" – Number #4 is "Installation, Maintenance and Repair."

Of course not all of these injuries or deaths are a result of mishandling by technicians, a lack of training or failure of fluidpower equipment; but if even one life (or limb) is saved, is that not sufficient to require proper training?

These numbers are staggering, and the worst part is that each one is preventable. Taking preventative action can spare workers needless pain and suffering, and part of that preventative action, of course is training on the appropriate subject. In our case it is **hydraulics and pneumatics**, it's uses, components, applications, troubleshooting and safety.

Workplace injuries and fatalities should never be considered a cost of doing business. Every worker deserves a safe work environment and to return home safely at the end of each work day:

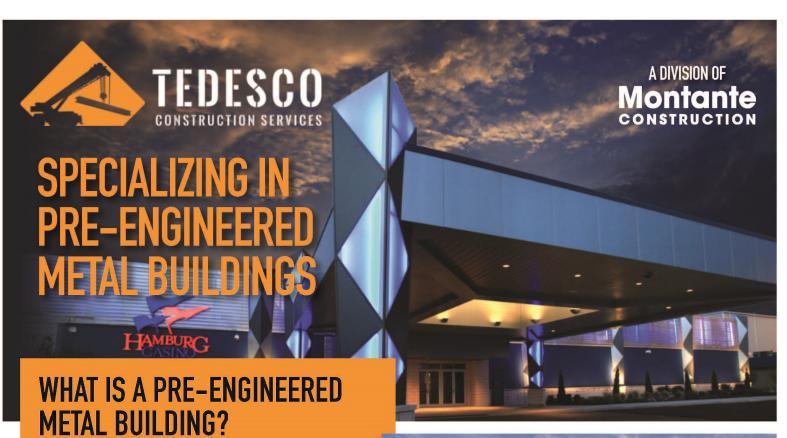
Workplace Safety is Attainable with proper training

Having a safe and happy life doesn't only extend to your personal life. Your work-life is every bit as important; especially when working in an environment wrought with potentially dangerous situations. The manufacturing industry, as well as aerospace, defence, entertainment, rail, transportation and many others can be, at times, scary places to work.

The importance of training should be one of your first considerations when creating a safe environment in the workplace. For continued safety throughout the life of your equipment, inspections and planned maintenance requirements should be followed closely.

By allowing only trained and knowledgeable technicians to assess your equipment's reliability and efficiency, will not only extend the life of the equipment, but ensures the safety of those working on it. We are there to help.





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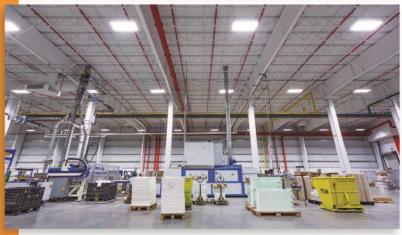
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NAVIGATING THE SHIFTING LANDSCAPE OF THE U.S. WAREHOUSING MARKET: INSIGHTS FOR LOCAL MANUFACTURERS

As we approach the end of 2024, the U.S. warehousing market is undergoing significant changes that are reshaping the logistics landscape. With the warehouse vacancy rate rising to 7.2% in November 2024—up from 4.8% in 2023 and a low of 3.4% at the end of 2021—WNY manufacturers must understand these shifts and prepare their operations accordingly. This article explores what these developments mean for manufacturers and offers actionable strategies to adapt.

UNDERSTANDING THE CURRENT MARKET DYNAMICS

The increase in warehouse vacancies reflects a market adjustment following unprecedented demand during the pandemic. Key factors contributing to this trend include:

• **High New Supply**: Over **310 million square feet** of new warehouse space was completed in 2023, leading to an oversupply.

Softening Demand: For many manufacturers, the pendulum is swinging back toward more rational inventory strategies. Economic uncertainties and changing consumer behaviors have prompted businesses to reevaluate their inventory needs, resulting in decreased leasing activity.

These dynamics present both challenges and opportunities for our local manufacturing community.

IMPLICATIONS FOR LOCAL MANUFACTURERS

- **Potential for Lower Rental Costs** With rising vacancy rates, landlords may be compelled to lower lease rates to attract tenants. For manufacturers, this could mean more favorable leasing terms for warehousing space, allowing them to reduce overhead costs associated with storage.
- Reevaluation of Inventory Management As demand softens, manufacturers may find it beneficial to reassess their procurement and inventory management strategies. This includes optimizing safety and cycle stock levels (there is a difference!) based on current market conditions and consumer demand, which can help mitigate excess inventory costs and reduce working capital needs.
- Focus on Automation and Efficiency The current environment may prompt manufacturers to invest in automation and technology to enhance operational efficiency. By streamlining processes and reducing reliance on manual labor, manufacturers can better navigate labor shortages and rising operational costs.
- Strategic Partnerships with Logistics Providers As the warehousing landscape evolves, forming strategic partnerships with third party logistics providers (3PLs) can offer manufacturers greater flexibility and access to resources. This can help manufacturers to optimize their supply chains and improve distribution efficiency without significant capital needed.



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PREPARING FOR THE FUTURE

To effectively navigate these changes, local manufacturers can take several proactive steps:

- Conduct a Supply Chain Audit: Evaluate current supply chain practices to identify areas for improvement and cost savings.
- **Invest in Technology**: Explore automation solutions that can streamline operations, such as warehouse management systems (WMS) or robotics.
- Enhance Flexibility: Develop flexible production schedules (reduce lead times, smaller runs, etc.) that can quickly adapt to changing market conditions and minimize excess inventory.

Work with Your Suppliers: Have your procurement team engage with key suppliers and collaborate to reduce lead times and order quantities. Consider re-sourcing if your supplier relationship requires significant inventory investment.

CONCLUSION

Our supply chain is still out of synch. Large warehousing companies ramped up capital investments coming out of the pandemic, bringing a significant amount of new capacity on line. Unfortunately, this new capacity has come on line as demand has softened. As a result, the warehouse vacancy rate has doubled from 3.4% to 7.2% in just three years. These shifting dynamics present both challenges and opportunities for local manufacturers as we move into 2025. By understanding these trends and implementing strategic adjustments, manufacturers can position themselves for success in an evolving landscape. Embracing innovation, optimizing operations, and fostering partnerships will be key to thriving amidst these changes.

By John Hogg, Straightforward Consulting



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Connecting Students With Manufacturers In Western New York

Are you interested in building a talent pipeline into manufacturing careers at your company? Dream It Do It is here to partner with you! Since 2009, Dream It Do It Western New York (DIDIWNY) has been bridging the gap between students in middle and high school and manufacturing careers, by providing manufacturing facility tours and a variety of manufacturing focused applied learning opportunities and camps. To further a manufacturer driven regional objective of building our future workforce, DIDIWNY is expanding its model to Erie and Niagara counties.

DIDIWNY is designed to build connections between manufacturers and schools while inspiring a strong talent pipeline into manufacturing careers at your company. Connect with us and take the first step toward getting involved in working with students through applied hands-on learning experiences and connecting your company with your future workforce. Leverage the Dream It Do It Advanced Manufacturing Program as a tool for your company to recruit and validate talent that is emerging from schools throughout Western New York.

The Dream It Do It Advanced Manufacturing Program (DIDIAMP) has been built with input from manufacturers like you, students, teachers, counselors and principals. DIDIAMP is connecting, energizing, challenging, rewarding and credentialing students during their journey through middle to high school. DIDIAMP provides a platform for your company to identify early talent (middle-high school), reduce the risk associated with hiring early talent and decreases your recruitment, onboarding, and training costs. Working with DIDIWNY and the DIDIAMP, you will be able to identify students who are interested in manufacturing careers, engaged in manufacturing technology programming, demonstrate teamwork and good work ethic and have attained a basic level of manufacturing related skills.

Manufacturers play a crucial role in developing the next generation of manufacturing talent. To build a stronger, more vibrant manufacturing future in Western New York we are looking to you to engage with DIDIWNY and our region's school districts and students.

DIDIWNY and its mission to energize the early talent pipeline, is powered by a collaboration of the Buffalo Niagara Manufacturers Alliance and the Manufacturers Association of the Southern Tier.

For more information regarding DIDIWNY go to didiwny.com and/or connect directly with our DIDIWNY team:

Chautauqua County Director: Cindy Aronson at caronson@didiwny.com
Erie County Director: Stephanie Morris at smorris@didiwny.com
Niagara County Director: Allison Sharpe at asharpe@didiwny.com
DIDIWNY President: Todd Tranum at ttranum@didiwny.com







Navigating Energy Costs for Manufacturers in New York State

Supply and Demand of Natural Gas: Trends and Projections

As winter approaches, the dynamics of natural gas supply and demand are under close scrutiny in New York State. The natural gas market, a critical energy source for many manufacturers and a key driver of electricity prices, is influenced by several factors, including domestic production rates, global liquefied natural gas (LNG) exports, and weather conditions.

Over the next six months, experts predict heightened volatility in natural gas prices. A colder-than-average winter could drive up demand for heating, placing upward pressure on prices. Concurrently, increasing LNG exports to Europe and Asia, driven by geopolitical tensions and global energy shortages, are likely to constrain domestic supply.

In recent months, the average price per million British Thermal Units (MMBtu) of natural gas has fluctuated between \$2.50 and \$3.50. However, analysts forecast potential spikes to \$4.00-\$5.00/MMBtu if winter demand surges. Manufacturers heavily reliant on natural gas should be prepared for these fluctuations and consider strategies to mitigate potential cost impacts, such as energy hedging or efficiency upgrades.

Electricity Costs for Manufacturers: Rising Challenges

Electricity prices in New York State are also on an upward trajectory, posing additional challenges for manufacturers. The state's energy grid, reliant on a mix of natural gas, nuclear, and renewable energy, faces increasing strain as renewable energy adoption expands. While the push toward clean energy aligns with long-term sustainability goals, the transition period presents cost challenges due to grid modernization efforts and reliance on intermittent renewable sources.

Over the next six months, manufacturers may see electricity rates rise by 10-20% due to elevated natural gas prices (used for power generation) and increased demand during the winter months. This rise underscores the importance of energy efficiency initiatives and exploring renewable energy options, such as community solar, to offset costs.

The Trump Factor: Potential Impacts on Energy Policy

With speculation surrounding former President Donald Trump's return to office, the energy landscape could see significant policy shifts within his first 100 days. Historically, the Trump administration emphasized domestic energy production, including increased natural gas and oil drilling, alongside reduced regulatory burdens on the fossil fuel industry.

Trump's administration may prioritize policies that expand domestic fossil fuel production, potentially stabilizing natural gas prices by increasing supply. However, such policies might also slow the transition to renewable energy, creating long-term uncertainties for manufacturers committed to sustainability goals.

Manufacturers in New York State should remain proactive, monitoring federal policy developments and adapting strategies to navigate the evolving energy landscape. Diversifying energy sources, investing in energy efficiency, and taking advantage of state and federal energy incentives are crucial steps to manage risks and seize opportunities in the months ahead.

Preparing for the Future

The next six months present a critical period for manufacturers to assess energy strategies amid fluctuating natural gas and electricity costs. Collaborative efforts within industry alliances, such as the Buffalo Niagara Manufacturing Alliance, can provide valuable insights and resources to tackle these challenges collectively. By staying informed and adaptable, manufacturers can turn potential obstacles into opportunities for innovation and resilience. By EnergyMark— Matt Lynette

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PEOs Benefit Manufacturers

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- Managing different classifications of employees from skilled and unskilled labor to administration, engineering and even information technology staff.
- Labor law compliance, since regulations don't consider work environments using heavy equipment and machinery or employees working multiple shifts.
- > Employee attraction and retention due to the limited market of employees with specific manufacturing skillsets.

PEOs offer support in all areas of employment service, including payroll support, compliance assurance, reporting, employee benefit options, compensation packages, talent retention, employee relations and development and performance management, to name a few.

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For example, a PEO will manage the employee leaves process from start to finish, including statutory disability, enhanced disability, PFL, FMLA and the various COVID leave programs.

By partnering with a PEO, a manufacturer can focus on its growth and management, knowing a large team of experts will act as an extension of the company handling all its employment and HR needs.



To learn more about PEOs, read more in this **informative special report** prepared by INC Magazine.

Intellectual Property Protection Abroad:



Expanding Into New Jurisdictions With Your Trademark

If you are contemplating the expansion of your business into new markets outside the United States, consider protecting your trademarks or brands in those markets before using them there. Trademark rights are territorial, so having trademark rights in one country or jurisdiction does not mean you have those trademark rights in other countries or jurisdictions. Thus, the establishment of trademark rights in the United States for a particular mark that identifies the source or origin of your goods or services does not mean you have any trademark rights in that mark in other countries, such as in Mexico or Canada for example. The expansion of trademark use into new countries, whether the mark is to be used on packaging or in advertising, requires the consideration of whether someone else already has trademark rights in that country that could preempt your use of the mark and the consideration of whether to seek registration of the mark in that country with a trademark application.

Since having established trademark rights in the United States does not guarantee that the mark is freely available for use or registration in another country, a trademark clearance search for a particular country or region is often advised before using the mark in that jurisdiction. Clearance searches are conducted to help avoid the chance of facing a trademark infringement dispute with a third party who has rights to the same mark or one that is confusingly similar in the country. Such clearance searches provide some guidance on the risks associated with the use of a certain mark in a country before investing significant time and money on a brand in a new jurisdiction.

Assuming a clearance search does not identify unacceptable risks of a third party objecting to the use of a mark in a country, the next consideration is whether to apply to register the mark in that country before any commercial activity occurs. In the United States, rights in a trademark generally belong to the first to use the trademark in commerce. The United States and other countries like it are often broadly called first-to-use countries and examples of such first-to-use countries are identified in the right-hand column of the chart below.

However, many foreign countries give trademark rights to those who are the first to register the trademark, even if they were not the first to use the mark. These countries are broadly called first-to-file countries and examples of such first-to-file countries are identified in the left-hand column of the chart below.

First-to-File Countries	First-to-Use Countries
European Union	United States
China	Canada
Taiwan	Australia
South Korea	India
Japan	
Mexico	
Argentina	
Brazil	

As shown, first-to-file countries include important trading partners, including Europe, Mexico, and China. One of the dangers of a first-to-file country is it provides an opportunity for an unscrupulous third party to register a trademark in the country, even if they have no plans to use that trademark, and prevent others from obtaining their own registration for the mark or even block products bearing the mark from entering that country. So, seeking a trademark registration early, even well before first use, in a first-to-file country may be advisable to avoid a third party from beating you to a filing to obtain commercial advantage or leverage.

If you have any questions about how to approach IP protection in other countries, please contact a member of the Harter Secrest & Emery Intellectual Property group.