

For

 **NEBRASKA CHAMBER**
OF COMMERCE & INDUSTRY

MANUFACTURERS Only



Winter 2018-19

2018 RECAP: CASE IH, BRUCKMAN RUBBER CO. WERE NEBRASKA MANUFACTURERS OF THE YEAR

This past autumn, Case IH of Grand Island and Bruckman Rubber Co. of Hastings were named Nebraska's Manufacturers of the Year by the Nebraska Chamber of Commerce and Industry. Both companies were honored at the State Chamber's 2018 Manufacturing Summit held in La Vista.

The Nebraska Manufacturer of the Year Award is sponsored by the State Chamber and [RSM](#), a leading provider of assurance, tax and consulting services to the manufacturing and wholesale distribution industries. The award has been presented annually since 2008 to Nebraska manufacturers that successfully implement innovative ways to conduct business through the use of new products, processes, technologies and strategies.

Nebraska Governor Pete Ricketts presented the awards to representatives from both companies.

- **Case IH, Grand Island:** [Case IH's](#) history can be traced back to 1842, when Jerome Increase Case founded Racine Threshing Machine Works in Racine, Wisconsin. In 1985, Case and the agricultural division of International Harvester merged to form Case IH. Today, Case IH is one of CNH Industrial's brands. The company is a global leader in the production of agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles, in addition to offering a broad portfolio of powertrain applications. The Grand Island manufacturing facility produces the company's axial-flow combines, along with several types of hay and forage equipment. It has earned a silver level designation in the World Class Manufacturing (WCM) Program. (WCM is one of the global manufacturing industry's highest standards for the integrated management of plants and processes.) Case IH's Grand Island facility employs 650 people across various manufacturing competencies, located in four different buildings on two campuses. Michael Schaefer, the Case IH Grand Island plant manager, and his management staff accepted the Manufacturer of the Year Award on behalf of the company.

- **Bruckman Rubber Co., Hastings:** [Bruckman Rubber Co.](#) offers a full spectrum of rubber parts manufacturing capabilities, from making the rubber and the molds, to crafting parts and providing die-cutting operations. The company was founded in 1961 by Chuck Bruckman as a one-press operation. The company has since grown to more than 70 employees who manufacture thousands of different rubber products,

Manufacturing is a vital component of the Nebraska economy. It also represents an essential segment of the membership within the Nebraska Chamber. The State Chamber Manufacturers Council evaluates and recommends policy positions to the State Chamber Board of Directors and serves as a forum for the exchange of views and information that the State Chamber manufacturing members wish to share.

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Case IH of Grand Island and Bruckman Rubber Co. of Hastings were named the Nebraska Manufacturers of 2018. The award is sponsored by the Nebraska Chamber of Commerce and Industry and RSM, a leading provider of tax services to the manufacturing sector. At the State Chamber's Manufacturing Summit, Governor Pete Ricketts presented the Manufacturer of the Year Award to Case IH Grand Island Plant Manager Michael Schaefer and his management team (top photo), as well as to Bruckman Rubber Co. President Travis Turek and his team members (bottom photo).

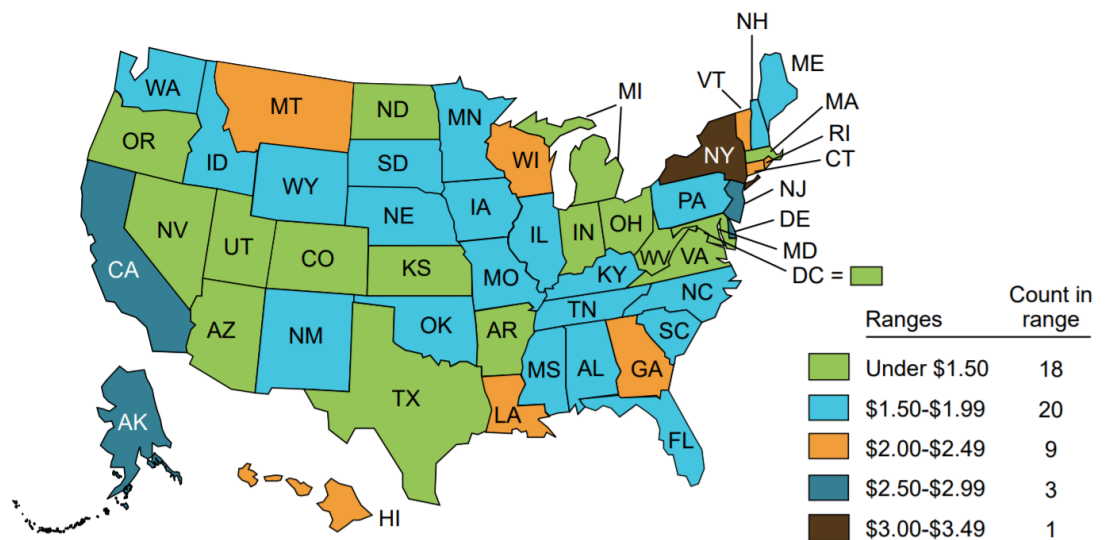
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all to customer specifications. Bruckman Rubber Co. currently sells products throughout the United States and in China, Mexico, Philippines, Canada, India, Japan and France. Travis Turek, president of Bruckman Rubber Co., accepted the Manufacturer of the Year on behalf of the company.

"The Nebraska Chamber takes great pride in honoring these two standout companies," said Bryan Slone, president of the Nebraska Chamber. "Manufacturing is part of Nebraska's economic backbone and vital to our state's future growth. Both Case IH and Bruckman Rubber are innovation leaders in Nebraska's manufacturing sector."

Nebraska is home to approximately 1,600 manufacturers who provide jobs for nearly 100,000 Nebraska workers. Manufacturing contributes almost \$14 billion annually to Nebraska's total economic output.

The average manufacturing employee in the Cornhusker State earns about \$17,000 more per year compared to the average non-farm worker. In terms of GDP, manufacturing is Nebraska's largest private-sector industry, according to state data. ■



Nebraska Loses Ground In Workers' Comp Comparison

Even though Nebraska's voluntary workers' comp premium rates have fallen over the last several years, the state's average rate has become less competitive nationally. That is according to data recently published by the Oregon Department of Consumer and Business Services.

The biennial Oregon study examined and ranked workers' comp premium rates of all 50 states based on the rates in effect as of January 1, 2018. In the comparison, Nebraska had the 26th most expensive rate with an index of \$1.70 per \$100 of payroll, which is equal to the U.S. median.

Nebraska fell eight spots from the 2016 comparison. Still, Cornhusker State employers have seen a 22.4% net decrease in their premium level over the past five years.

Nebraska's drop in the comparison comes as other states have been much more aggressive in their workers' comp reforms. For example, Oklahoma employers have experienced a net 47.8% drop in their premium levels over the same five year period.

Overall, trends in workers' comp systems and insurance markets have resulted in a smaller difference between states' rates, according to the study. The 2018 U.S. median rate of \$1.70 per \$100 of payroll is the lowest yet on record – falling from \$3.18 in 1986, when the Oregon study was first published.

In 2018, New York was most expensive for workers' comp premiums with an index rate of \$3.08. North Dakota was least expensive at \$0.82.

Workers' compensation premium rates significantly affect the cost of doing business. In 2015 alone, Nebraska businesses paid nearly \$390 million to the state's Workers' Comp Fund, which is fully funded by a special tax on employers. For decades, Nebraska had been among the best 20 states for workers comp premium expenses.

<https://www.oregon.gov/dcbs/reports/Documents/general/prem-rpt/18-2083.pdf>

Nebraska Legislature's New Session Begins January 9

On Wednesday, January 9, the Nebraska Legislature begins its 2019 session. State lawmakers will introduce new legislation through January 23, as hundreds of new bills are expected.

For summaries and analysis of legislation that could affect Nebraska's manufacturing community and the state's economic competitiveness, Nebraska Chamber members are sent the Chamber's weekly Legislative Report. This publication includes notices of upcoming committee hearings, and the Chamber's position on key bills.

If you are a State Chamber member who has not received the weekly Legislative Report in the past, and you want to be on the mailing list for 2019, call Jena Bouma at (402) 474-4422 or email jbouma@nechamber.com to be certain your name is included on our mailing list. ☐

Register Now For Nebraska Chamber's Annual Meeting, Business Hall of Fame Ceremony

The State Chamber's 2019 Annual Meeting and Legislative Caucus is set for Thursday, February 7, at The Cornhusker Marriott Hotel in Lincoln. This is one of Nebraska's most recognized business events.

Participants will have an opportunity to hear from key state lawmakers and business leaders, as well as attend briefings on vital issues of concern to the state's private sector. Events will take place throughout the day. The evening banquet begins at 7 p.m. and will

feature the traditional passing of the gavel to the new State Chamber chairman, as well as a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

Don't miss this once-a-year celebration of Nebraska's business community. For more information or to register, call Charlie Volnek at (402) 474-4422 or e-mail cvolnek@nechamber.com. Attendees can also register online at www.nechamber.com □

GOVERNOR WANTS TAX INCENTIVES IMPROVED, NOT SCRAPPED

Recently, the Nebraska Radio Network reported that "Governor Pete Ricketts agrees some changes might need to be made to the state's top business incentive program, but disagrees it needs to be scrapped."

In mid-December, a legislative task force at the Nebraska Legislature recommended ending the Nebraska Advantage Act at the end of next year. The Nebraska Advantage Act is Nebraska's primary economic development tool, responsible for billions of dollars in investment and tens of thousands of Nebraska jobs.

The governor told reporters that instead

of doing away with the Nebraska Advantage Act, he would "like to see more accountability and transparency," along with "statutes that are easier to use for businesses" and a "focus on higher paying jobs."

He said Nebraska must remain competitive, noting, "Even states that have no income tax have incentive programs."

The Nebraska Radio Network reported that while Governor Ricketts believes "the incentives in the Nebraska Advantage Act are important," they "should not be the state's biggest selling point." □

Report: Anti-Energy Efforts Are Hindering U.S. Economy

The U.S. Chamber of Commerce recently reported that "a small but vocal group of activists is battling against energy infrastructure projects across the nation."

The U.S. Chamber's Global Energy Institute has found that the anti-energy "Keep it in the Ground" movement has prevented at least \$91.9 billion in domestic economic activity and eliminated nearly 730,000 job opportunities.

In addition, federal, state, and local governments have missed out on more than \$20 billion in tax revenue.

Efforts to delay and derail the Keystone XL Pipeline have cost the economy around \$12.4 billion in lost growth, according to the institute.

See more by visiting <https://www.globalenergyinstitute.org/infrastructure-lost>.

□

Workforce, Tax Reform Are Nebraska Chamber's 2019 Priorities

The Nebraska Chamber of Commerce and Industry recently announced its major legislative objectives for 2019. The objectives were approved by the State Chamber's board of directors.

Some of the Chamber's key legislative priorities for 2019 include:

➤ **Workforce Development.** Recent Nebraska Chamber surveys of business leaders have found that the overwhelming majority of respondents say their communities or businesses face a workforce shortage. Because Nebraska's economic growth depends on talent supply, the State Chamber will support policies and programs aimed at growing, educating and improving Nebraska's workforce. Specifically, the Chamber recognizes the value of the state-administered Intern Nebraska program and customized job training, as well as career academies that focus on specific vocational skills in high school and junior high. The Chamber will support reciprocal state licensure and certification recognition, as well as efforts to recruit new workers to Nebraska. To enhance Nebraska's skilled workforce, educational funding programs should improve accountability, reward excellence and encourage innovation.

➤ **Tax Relief & Economic Competitiveness.** Currently, Nebraska's top individual income tax rate is 6.84% – the nation's 16th highest – on earnings just above \$30,000. Nebraska's maximum corporate tax rate is 7.81%, also the 16th highest in the country. The state's high income tax burden is negatively affecting economic growth and job creation and makes the Cornhusker State less competitive. The Nebraska Chamber will support efforts to lower Nebraska's highest individual income tax rate, as well as initiatives to harmonize the top corporate tax rate with that of the individual income tax. The Chamber will oppose efforts to increase state sales and income tax rates, as well as legislation to expand the state sales tax base on business inputs or further earmark tax revenue for specific state spending. Finally, the Chamber will support efforts to modernize and enhance the state's performance-based incentives to give Nebraska a competitive edge.

➤ **Efficiency in Government.** The Chamber will support initiatives to improve the delivery of public services and the overall efficiency of state and local government. This includes the elimination of unnecessary services and programs; the restraint or reduction of state and local government spending; and the improvement of public employee capacity and output. The Chamber will support legislative and administrative proposals to provide more streamlined, efficient, flexible and focused government services, including at the local level.

These major objectives do not constitute the entire range of the Chamber's legislative interests. Throughout every session of the Unicameral, the Nebraska Chamber closely follows all bills deemed to have an impact on the state's business climate.

In addition to approving the 2019 major legislative objectives, the Nebraska Chamber Board of Directors confirmed the election of the association's leadership for the new year. **Todd Foje**, CEO of Great Plains Communications of Blair, will serve as the Chamber's 2019 chairman. He will officially begin his duties February 7 at the organization's annual meeting in Lincoln.


Foje succeeds 2018 Chairman **Rich Herink** of Lincoln, market executive of First National Bank. **DJ Eihusen**, chairman and CEO of Chief Industries in Grand Island, will be the Nebraska Chamber's chair-elect. □

NAM: EX-IM BOARD VACANCIES HAVE HURT AMERICA

The National Association of Manufacturers' Shopfloor.org reports, "For nearly four years, one of America's major export promotion tools, the U.S. Export-Import (Ex-Im) Bank, has barely been able to function as it has lacked a quorum for its Board of Directors." According to the article, "since 2017, the president's four nominees for the Board have awaited Senate confirmation, but no action has been taken despite strong bipartisan support for the nominees and the Bank itself."

NAM notes that "there are over 100 other functioning export credit agencies globally, but ours isn't on that list." Currently, Ex-Im Bank can only consider deals that are under \$10 million.

The NAM estimates that since the Ex-Im Bank lost its ability to operate fully in mid-2015, U.S. manufacturers "have forfeited billions of dollars in sales."

See more at: <https://www.shopfloor.org/2018/12/ex-im-board-vacancies-hurt-america/> 

REPORT: BLUE-COLLAR WORKERS NOW EVEN TOUGHER TO FIND

In late December, Fox Business reported, "For the first time in years, blue-collar workers are harder to find than their white-collar counterparts." That is according to a new private-sector study that found even as the pool of skilled blue-collar workers has shrunk, "the demand for their services has grown steadily since the financial crisis 10 years ago."

The lead author of the report said: "Compared to a few years ago, blue-collar workers are now much more likely to have a job they are satisfied with and experience rapid wage growth."



Nebraska Will Participate In 2019 German Ag Machinery Fair

The Nebraska Chamber has learned that state leaders will accompany a delegation of ag machinery manufacturers to the Agritechnica trade fair in Hannover, Germany in November 2019. This is one of the world's top trade fairs for ag technology, drawing around 450,000 visitors from 130 countries.

If you are interested in being an exhibitor at this event, the registration deadline is Feb. 1, 2019. For more information, contact Cobus Block with the Nebraska Department

of Economic Development at cobus.block@nebraska.gov for more information, or call 402-480-5806.

Small- and medium-sized companies should also consider registering for a booth via the U.S. Commercial Service, whose Omaha representative (Meredith Bond) can be contacted at meredith.bond@trade.gov.

For more information about Agritechnica, visit www.agritechnica.com. 