

## TREADWELL CORPORATION

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To Members of the Labor & Public Employees Committee:

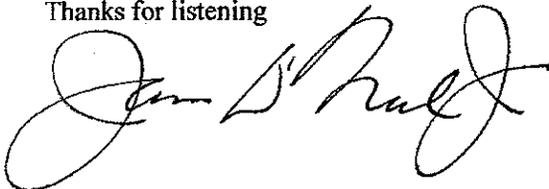
My name is James D. Neal Jr. and I am a Vice-President of Treadwell Corporation in Thomaston, Ct.

I am writing to express my total disagreement with even the consideration of Senate Bill 63, Paid Sick Leave Mandate. First, I would like to say that we disagree with any legislation which dictates what benefits we MUST extend to our employees. Treadwell is a privately held, small business, defense contractor in a market that is dictated by costs and any additions to our cost structure put us in a negative position in the bidding process. In addition, we are against this bill for the following reasons:

- Our production labor force is unionized. Every benefit is negotiated at the table. We don't need the legislature negotiating for and handing out free benefits to the members. We have no ability to offset that cost in other contract areas.
- The cost to our Company would be +\$30,000 PER YEAR. Think about that. You would be making a decision which adds +\$30,000 to our cost structure. This could be the difference in the bidding process and ultimately cost us contracts and revenue. Lost contracts mean layoffs!
- In reality, this is nothing more than additional vacation pay. Every 8 weeks our shop will be a 'ghost' town because the workers will be 'sick'.
- As I said earlier, we are a Federal Defense Contractor and most of our work is in contracts which are 2-4 years in length. These contracts are fixed price which means that we would have no recourse to recover the costs of this bill. In addition, the increase costs would put us in an uncompetitive position for bidding on future contracts (if we survive).
- To allow the 'carryover' of unused time is an insane concept. This creates a huge liability which must be funded for accounting purposes.
- Our shop labor force averages nearly five (5) weeks of PAID vacation, plus holidays and a floating holiday. Surely this is enough compensated time to address any short term illnesses.
- Finally, because we are a Union shop, we cannot hire temporary help to cover absences. Of course, we can pay utilize overtime to cover production shortfalls which obviously increases our hourly cost by 50%.

Remember, these our very tough economic times and its businesses that are generating payrolls that create income which result in income tax revenues to the state. Legislation such as this is exactly why it is difficult to do business in the State and ultimately results in closings or relocations.

Thanks for listening



James D. Neal Jr.  
Vice-President