



## TECHNOLOGIES, INC.

Divisions Waterbury Button Company  
Diversified Eyelet Company  
Northeast Emblem & Badge Company

February 23, 2011

Labor Committee  
State Office Building  
Hartford, CT

To the members of the Committee:  
Re: SB 913

I don't get it. Countries, states and companies are going bankrupt, and the Labor Committee thinks it is a good idea to continue to pile on mandates of added costs to companies that are a source of revenue? Are we trying to mirror California? And if so, what is the reasoning that makes one to expect a different outcome?

For one thing, even if giving employees additional "non-productive" time off with pay was a good idea (which it is not) the timing to even consider passing legislation forcing Connecticut companies to add additional costs to the products they manufacture is like asking a drowning man if he would like a glass of water. Has not anyone noticed that companies are struggling; unemployment is high (actually, higher than reported), states are out of money and country is almost bankrupt?

It is not like companies are feigning an inability to take on additional costs in order to retain profits. Unless you are a "too big to fail company" that gets stimulus money, the rest would either have raise prices, or reduce labor and overhead expenses to cover the additional costs. Unfortunately, every time we are forced to raise the prices of our goods, we lose customers that will buy a less expensive product - usually, one manufactured off-shore.

Companies are struggling to remain in business. I am not making this up. In the past 2-years more companies have either moved out of Connecticut, or just closed down, rather than the other way around. If the Committee wants to pass legislation, it would make more sense to pass legislation that would attract business to move to Connecticut. I have to tell you, that if I did not live in Connecticut, I would certainly consider moving to a more friendly state.

One of our divisions is The Waterbury Button Company - a company that has been in business since 1812. In 2003, my partner and I move moved the company out of

Waterbury Button Company Diversified Eyelet Company  
203-271-9055 • 800-928-1812 • Fax: 203-271-9852  
www.waterburybutton.com

Northeast Emblem & Badge Company  
203-272-1280 • 800-316-3009 • Fax: 203-271-9852  
www.nebadge.com

Waterbury to Cheshire. The primary reason was that the cost of doing business in Cheshire was much more favorable than doing business in Waterbury. It is no secret that Cheshire's tax rate was the motivating factor. While we were pleased with our decision, it was a sad day - as not only was the Company named after the City of Waterbury, but it had been in Waterbury for 191-years. Point being that most businesses are competing in a global market and will do whatever it takes to remain in business.

With regard to the paid "time off" for being sick - it is nothing more than another nail in the coffin of "Made in Connecticut" businesses. In a previous letter to CBIA I noted that my wife worked for the Woodbury Telephone Company. Paid sick time off was not always used for those that are sick. A normal conversation between employees was "I've got 4-more sick days that I have to take off, before I lose them, let's go to the Christmas Tree Store to get some shopping done." The result was that a "sick day" got converted into a "paid day off from work". If it walks like a duck, looks like a duck and quacks like a duck, then it is reasonable to assume it is a duck. As far as I am concerned, it is just another unplanned day away from work that the employee is compensated for that is a Holiday/Vacation Day (pick one). For those that do not believe that this really happens, are those that still believe in the "Tooth Fairy". Not for nothing, but The Woodbury Telephone Company (once, one of the few privately owned telephone companies in the United States) no longer exists. I am sure that it wasn't because its labor rates were too low.

With regard to the adding an additional burden onto our operating costs to our Button Division (our core business) - it will be critical. We have already lost much of the low end Fashion buttons to off-shore markets. My labor costs cannot compete with companies that (certainly) do not have the mandates that are placed on American companies. So, why would adding another cost to do business be a good thing?

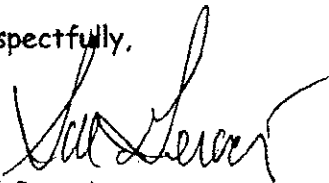
We cannot sit back and rely on the "Made in America" quality as the buffer between off-shore products and American products - as it will only be a matter of time before off-shore manufacturing quality improves. Those that have doubts can only look to Japan. They manufactured junk in the 50's - but now they make Cameras (that Germany used to make), Watches (that Switzerland used to make), and if it were not for government subsidies - they would be making most of the cars (that the USA makes). Most people would rather have a Toyota or a Lexus than a Chevrolet. And, by the way, I am composing this letter on a Dell computer that is made in China - and if I removed all the clothing that I have on that is not made in the USA, I would be sitting here naked doing so. Not a pretty sight. Not me, but the amount of business that is being lost from our state and country.

Little lengthy than intended, but I can assure you that for every additional costs you add on to the businesses in the state, the unintended consequence will be that there will be fewer business that will want to come to Connecticut, much less remain.

We are a miniscule business compared to the company down the street (Pratt & Whitney). But we share the same issues - that it is cheaper to do business elsewhere than to stay where we are. But unlike "Pratt", you cannot force every company to stay.

The "Labor Committee" should direct their efforts to finding ways to get businesses to expand and employ more people rather than enacting "make me feel good" laws that have the opposite effect. Unlike government agencies that can just access taxpayers to finance their operations, a business has to sell a product that a consumer can afford in order to remain in business. Please, reconsider and do not make it more difficult to do so.

Respectfully,

A handwritten signature in black ink, appearing to read "Sal Geraci". The signature is fluid and cursive, with a large initial "S" and "G".

Sal Geraci

Vice President/Owner

