

# CATALYST™



FALL 2108

Pennsylvania Chamber of Business and Industry

## Building Business in the Keystone State

*Harnessing Our Assets, Improving Our Competitiveness*

■ **Bigger, Better, Stronger:**  
Tax Reforms the Ingredient  
to Drive PA's Economy Forward  
Page 38

■ **A Bright Future:** Work Ethic  
Scholarship Recipients Helping  
to Close the Skills Gap, Embark  
on Promising New Careers  
Page 60



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# President's message



The PA Chamber's 28th Annual Economic Survey was released just weeks ago, and it revealed the great news that Pennsylvania's economy looks stronger than it has in a decade! In fact, a record 40 percent of the 650 business owners surveyed said they believe the economy has improved over the last 12 months; and a little more than a quarter of them (26 percent — ALSO a record high) say they perceive the state as being "very" business-friendly. If that seems low, consider that only 25 percent of those surveyed last year said the economy was on the upswing, and only 15 percent gave PA a "very" business-friendly status.

We're thrilled to be moving in a decisively positive direction, thanks in large part to the benefits of last year's federal tax reforms. In addition to the booming economy, Pennsylvania also boasts a number of attributes that make the Commonwealth a natural choice for employers to locate, invest and create jobs — our low cost of living, ideal geographical location, vast resources and innovative spirit are just a few of the benefits to doing business here. However, we still have our work cut out for us in terms of boosting the Keystone State's competitiveness. According to the survey, among Pennsylvania employers' biggest concerns remain the state's tax climate — particularly, our 9.99 percent Corporate Net Income Tax rate — along with rising health care costs make it increasingly difficult for business owners to offer valued healthcare benefits to their workers. Also, for the first time ever, job creators cited difficulty finding skilled and qualified candidates to fill open positions as the number one issue that keeps them up at night in this year's survey.

As the Statewide Voice of Business™, the PA Chamber works every day to comprehend the issues that impact the Commonwealth's broad-based business community and enact public policies that will improve their bottom line and keep Pennsylvania on the path to success. We're advocating for tax reforms at the state level that will mirror benefits that have been realized at the federal level, along with other measures that will improve our regulatory environment, restore balance in our legal climate, and level the playing field for employers within the state's labor laws. We're also playing an active role in closing the jobs skills gap through the "Start the Conversation HERE" initiative that we've adopted as part of our mission, which brings awareness to educators, students and their families, and employers about the jobs that are available in the skilled trades and the education and training necessary to obtain them.

This issue of *Catalyst* explores the myriad of areas in which Pennsylvania already stands out as a great place to do business, including our dynamic transportation infrastructure and world-class educational institutions. It also highlights the ways in which we can improve, with recommendations to help us get there — including an article that goes more in-depth about the results from this year's Economic Survey and the findings in a Tax Foundation report that offer ways to bring Pennsylvania's Tax Code into the 21st Century.

Rest assured that as we continue to advocate for businesses of all sizes, we'll never stop listening to the needs of our members, who shape our legislative agenda. Please feel free to reach out to us at any time with your comments and concerns, so that we can take them straight to lawmakers in Harrisburg and get things done for the betterment of employers, and all of Pennsylvania's citizens. ■

Gene Barr

## About The Pennsylvania Chamber

Founded in 1916, the Pennsylvania Chamber of Business and Industry is the largest broad-based business association in Pennsylvania, serving as the frontline advocate for business at the state Capitol. The PA Chamber is dedicated to helping its members understand and easily follow the complexities of state and federal workplace regulations. Educational services include conferences and guidebooks on a wide variety of issues important to the business community. Our mission is to act as "The Statewide Voice of Business™" and articulate and advocate on those public policy issues that will expand private sector job creation and lead to a more prosperous Pennsylvania for all its citizens.

## CATALYST™

Pennsylvania Chamber of Business and Industry

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## 38

### MAIN STORY

## Bigger, Better, Stronger: Tax Reforms the Ingredient to Drive PA's Economy Forward

### 12



**How I See It:**  
**STaRT Program Helping**  
**Today's Employees (Especially**  
**Women!) Think About**  
**Tomorrow's Retirement**  
*By Robin L. Wiessmann*

### 14



**Business Spotlight:**  
**United Healthcare: Diverse**  
**Scholars Initiative Helping**  
**to Groom Next Generation**  
**of Health Care Talent in**  
**Pennsylvania and Beyond**

### 16



**Made in PA:**  
**Sweet Success: From a**  
**Scranton Kitchen to a**  
**Household Name, Gertrude**  
**Hawk Chocolates Builds a**  
**Family-Owned Legacy**

### 26



**North American**  
**Neighbors**

### 34



**Up Close With...**  
**Mark P. Lauriello, PE,**  
**president and CEO, RETTEW**

### 36



**Achieving Success through**  
**Defined Growth Strategies**  
*By Jeffrey J. Vrabel*

### 42



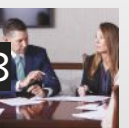
**PA Chamber Cares:**  
**Falling Into Giving**

### 44



**Pennsylvania's Manufacturing**  
**Boom Needs a Silicon Valley**  
*By Dianne Denison*

### 48



**Small Business, Big Voice:**  
**Cornerstone**

### 50



**Federal Focus:**  
**New Export Markets, Not Trade**  
**Wars, Needed to Grow PA's**  
**Economy**

### 52



**Here For Good:**  
**PPL Electric Utilities putting**  
**down deep Community Roots**

### 54



**Healthcare Cost Checkup:**  
**Lowering Employer Costs**  
**by Encouraging Healthy**  
**Behaviors**  
*By Joe Martin*

### 58



**Workforce Spotlight:**  
**An inside look at *Forbes***  
**Magazine No. 1 Trade School:**  
**Pittsburgh Institute of**  
**Aeronautics**

### 60



**Workforce Spotlight:**  
**A Bright Future: Work Ethic**  
**Scholarship Recipients**  
**Helping to Close the Skills**  
**Gap, Embark on Promising**  
**New Careers**

### 64



**Pennsylvania is Primed for**  
**Business Because ....of a**  
**robust rail transportation**  
**system**  
*By Rudy Husband*

### 65



**Pennsylvania is Primed for**  
**Business Because ....of world-**  
**class educational institutions**  
*By Kevin Grubb*

### 68

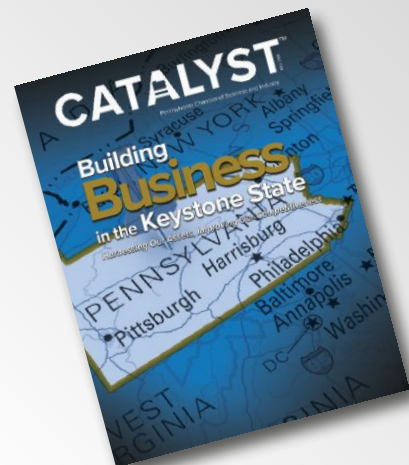


**RegWatch:**  
**New York State of Mind on**  
**Energy and Manufacturing:**  
**Not in My Backyard, and Not**  
**in Yours Either**

### 70



**Local Chamber Spotlight:**  
**The Chamber of Commerce**  
**for Greater Philadelphia**



## FALL 2018

### Departments

**Action Spotlight**

**Business EXPERTise**

**Federal Focus**

**Healthcare Cost Checkup**

**Here for Good**

**High-fives**

**How I See It**

**Legislative Update**

**Local Chamber Spotlight**

**Made in PA**

**Making the Most**  
**of Your Membership**

**PA Chamber Cares**

**RegWatch**

**Small business, BIG VOICE**

**Upcoming Events**

**Up Close With...**

**Workforce Spotlight**

### Up next

This January, the start of the 2019-2020 session will usher in dozens of fresh faces in the state House and Senate. What will this mean in regard to the PA Chamber's efforts to enact pro-business legislation in Pennsylvania? The winter edition of *Catalyst* will explore the state's new legislative dynamic and weigh in on what's in store.

## Meet the PA Chamber's Government Affairs Team



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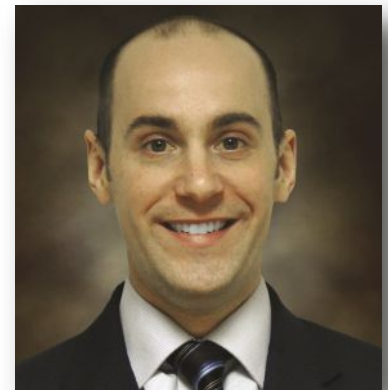


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## As 2017-18 Legislative Session Comes to A Close, Focus Turns to Upcoming Session

By **Sam Denisco**, Vice President of Government Affairs

With an abbreviated fall voting calendar, there was a flurry of legislative activity over the last two months as lawmakers worked to find agreement on a number of policy issues prior to the November General Election. In the waning days of the 2017-18 legislative session, the General Assembly passed several PA Chamber supported bills — a full listing of which can be found in the sidebar on page 11. The following legislative update gives an overview of bills that the PA Chamber has taken a position on throughout the two year legislative session; and also provides the status of each bill as of October 17 — the last scheduled voting session day of the term. While there is always a possibility that legislative leaders will call members back to vote on a number of outstanding pieces of legislation in sine die, the time period before all bills introduced this session will expire, the chances of that actually happening are slim.



With the General Election now over, we are looking ahead to the 2018-19 Legislative Session (which will officially begin on New Year's Day, when the elected members of the state House and Senate will be sworn into office). The legislative landscape will be greatly changed as a number of current members opted to retire this year — making room for a new slate of elected officials; as well as a number of new committee chairs and new legislative leadership teams. Over the next several weeks, we will be working on initiatives we hope to push in New Year — including making much needed reforms to the state's tax structure; as well as placing an increased focus on workforce development efforts to help close the jobs skills gap.

*(Editor's Note: The status of all bills in this Legislative Update is based on their respective standing as of October 26.)*



## Taxes

**179 Deductions (H.B. 333):** This legislation would amend the Tax Code by increasing the deductible amount of a small business' qualifying equipment purchases to the amount that may currently be deducted under Section 179 of the Internal Revenue Code. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Finance Committee.

**PA Chamber position:** Support

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**Like-kind Exchanges (H.B. 331 and S.B. 201):** This legislation would put the Commonwealth in line with every other state by allowing for "like-kind" exchanges for tax-deferral when property is exchanged with similar property. This change to the Commonwealth's tax structure will remove a disadvantage Pennsylvania small businesses face when competing with businesses in other states. **Status:** House Bill 331 passed the House and is currently awaiting consideration in the Senate Finance Committee. Senate Bill 201 passed the Senate and is currently awaiting consideration in the House Finance Committee.

**PA Chamber position:** Support

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**Soda Tax Preemption (H.B. 2241):** This legislation would preempt local taxation of sweetened beverages in Pennsylvania. The city of Philadelphia's now-infamous Soda Tax has proven to place an extreme financial burden on employers, especially grocery and convenience stores — which are reporting as high as a 20 percent drop in overall revenue since the tax was implemented. Taxes that single out particular industries drive customers to other areas to purchase these goods, which can lead to business closures and a loss of revenue that is difficult to overcome. **Status:** The bill passed the House Commerce Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

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**1099 Withholding Clarification (H.B. 2413):** As part of the 2017-18 state budget, certain payors of Pennsylvania-source income and certain lessees of Pennsylvania real estate are required to withhold personal income on these payments. Ambiguities in these changes and the short implementation time have created challenges for businesses through increased administrative burdens and compliance costs. This legislation will make necessary technical fixes to address the ambiguities; correct withholding requirements for states with reciprocity with Pennsylvania; and addresses issues that have arisen during the implementation of the current statute. **Status:** The bill passed the House Finance Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

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**Software Sales Tax Clarification (H.B. 2556):** This legislation would clarify the Sales and Use tax regarding canned and customized software, financial institution security equipment and services fees on financial institutions. Pennsylvania's Department of Revenue has begun to issue audit reports assessing the Sales and Use tax for computer service or data contracts that utilize "canned software," along with assessments on the repair and maintenance of security equipment. This new interpretation is not only costly to businesses, but creates inconsistency and uncertainty in the assessment of the state's Sales and Use Tax. **Status:** The bill passed the House Finance Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

**Small Business NOLs (H.B. 332 and S.B. 202):** This legislation would expand the tax strategies available to small businesses, helping them to have more control over their financial positions and better compete. Small businesses, which are the backbone of the Commonwealth's economy, don't have access to the capital that larger companies have. This legislation would remove an unfair tax obstacle for small businesses by allowing them to deduct net losses from a subsequent tax year's total state tax liability. **Status:** House Bill 332 passed the House Finance Committee and is currently awaiting consideration by the full House. Senate Bill 202 was approved by the Senate Finance Committee and is currently awaiting consideration by the full Senate.

**PA Chamber position:** Support

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**Spot Appeals of Property Assessments (H.B. 1213 and S.B. 586):**

This legislation would limit a taxing jurisdiction's ability to target specific properties for tax increases. This practice is often referred to as "spot appeals." Under this legislation, taxing authorities would only be permitted to appeal property assessments following a countywide reassessment, or under specific circumstances such as the land being divided or its purpose altered. House Bill 1213 was amended on the House floor to give school districts the ability to continue to spot appeal properties owned by businesses — a practice that is unpredictable, inconsistent with the state's constitutional uniformity clause and allows districts to pick winners and losers. **Status:** House Bill 1213 passed the House Commerce Committee and is currently awaiting consideration by the full House. Senate Bill 586 passed the Senate Urban Affairs and Housing Committee and is currently awaiting consideration in the Senate Appropriations Committee.

**PA Chamber position:** While supportive of the original language in H.B. 1213, the PA Chamber currently opposes the bill as amended. The PA Chamber supports S.B. 586.

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## Education

**Keystone Exam Opt-Out (H.B. 85):** This legislation would allow public school entities to provide for a parent/guardian opt-out of the Keystone Exams for philosophical reasons. Pennsylvania students deserve an education that embraces accountability and includes rigorous standards to help ensure they're prepared to enter the workforce or higher education. The PA Chamber opposes efforts to reduce or weaken education standards. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Education Committee.

**PA Chamber position:** Oppose

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**High-Quality Online Education Clearinghouse (H.B. 679):**

This legislation would provide Pennsylvania students in grades 6-12 with innovative and personalized learning experiences via high-quality online instructional courses. The first phase of the bill would provide free online courses in subject matters tested by the Keystone Exams. The second phase would provide additional online subjects to purchase through contract. Public schools would be allowed to utilize the courses and offer students the opportunity to participate in online courses. The PA Chamber supports efforts to enhance educational opportunities for students throughout the Commonwealth. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Appropriations Committee.

**PA Chamber position:** Support

*continued on page 8*

## Legislative Update

*continued from page 7*

**Education Standards and Assessments (S.B. 756):** This legislation would eliminate the Keystone Exams or any composite of these exams from being used as a high school graduation requirement. Pennsylvania students deserve an education that embraces accountability and includes rigorous standards to help ensure they're prepared to enter the workforce, higher education or whatever path they choose. The PA Chamber opposes efforts to reduce or weaken education standards. **Status:** The bill passed the Senate Education Committee and is currently awaiting consideration by the full Senate.

**PA Chamber position:** Oppose

## Energy

**Severance Tax (H.B. 1401):** This legislation would place a severance tax on unconventional natural gas extraction in addition to the existing impact fee. As amended in committee, the legislation includes a fluctuating tax based on the price of natural gas that would include a levy of two cents per-thousand cubic feet (mcf) of natural gas if the price is \$3 or under; and 3.5 percent based on the price of gas. The shale gas revolution has played a major role in helping to keep energy prices down in the Commonwealth. However, when combined with the state's already burdensome tax and regulatory environment, an additional tax will make Pennsylvania less competitive than other states in the shale play.

**Status:** The bill passed the House Finance Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Oppose

**Oil and Gas Well Permitting (H.B. 2304):** The legislation would implement a series of reforms to how the Department of Environmental Protection regulates oil and gas operations in the Commonwealth. The PA Chamber supports environmental laws and policies that are based in sound science and do not impose undue regulatory burdens. This legislation would streamline and reform the Commonwealth's cumbersome regulatory environment by: extending the term for well permits from one to three years; allowing for a single well permit to apply to multiple wells on a single pad; and allowing the final location of a well location to within 50 feet of the specific location identified in a well permit application. **Status:** The bill is awaiting consideration in the House Environmental Resources and Energy Committee.

**PA Chamber position:** Support

**Electric Grid Resiliency Projects (H.B. 1412):** The legislation would authorize the Public Utility Commission to approve pilot programs by utilities for micro-grids, which are self-sustaining energy storage projects that are capable of providing power without being connected to the broader grid. **Status:** The bill is awaiting consideration in the House Veterans Affairs and Emergency Preparedness Committee.

**PA Chamber position:** Support

**Electric Choice for Boroughs (H.B. 2030):** This legislation would amend the Borough Code to standardize billing for municipal electric customers.

**Status:** The bill passed the House and is awaiting consideration in the Senate Consumer Protection and Professional Licensure Committee.

**PA Chamber position:** Support

**Critical Infrastructure Protection (S.B. 652):** This legislation would enhance penalties for those who criminally trespass on critical infrastructure facilities — such as natural gas distribution facilities and electrical power generating facilities. **Status:** The bill passed the Senate and is awaiting consideration by the full House.

**PA Chamber position:** Support

**Pipeline Shutdown Requirements (S.B. 931):** This legislation would mandate that new natural gas pipeline construction in densely populated regions include automatic or remote control safety valves. Despite a strong record of safety on the part of transmission operators, this legislation will unnecessarily add tens of millions of dollars in compliance costs — costs which will ultimately be borne by consumers, families and businesses. Additionally, the requirements outlined in this legislation far exceed federal standards and do not provide any means of flexibility for compliance on the part of energy transmission companies. **Status:** The bill passed the Senate Consumer Protection and Professional Licensure Committee and is awaiting consideration by the full Senate.

**PA Chamber position:** Oppose

**DRBC Moratorium Takings (S.B. 1189):** This legislation would provide that landowners impacted by the Delaware River Basin Commission's gas drilling moratorium be entitled to compensation calculated in the same manner as is used to determine value in any other eminent domain action. **Status:** The bill passed the Senate Environmental Resources and Energy Committee and is awaiting consideration in the Senate Appropriations Committee.

**PA Chamber position:** Support





**Supporting LNG Exports to Europe (S.R. 214):** Pennsylvania is fortunate to have one of the most prolific mineral resource fields in the world, including the Marcellus Shale natural gas reserves, and is now the second largest natural gas producer in the nation. This creates enormous economic opportunities across the United States and also plays an important geopolitical role. In Europe, Russia has long been the dominant provider of Liquefied Natural Gas to countries on that continent and has demonstrated on multiple occasions its power in this arena by shutting off natural gas to the Ukraine. American exports would help European countries reduce their reliance on Russian energy while helping to improve our economy at home and abroad. This resolution urges Pennsylvania natural gas producers to export natural gas to European countries in an effort to curtail Russia's natural gas monopoly on the region. **Status:** The bill passed the Senate Environmental Resources and Energy Committee and is awaiting consideration by the full Senate.

**PA Chamber position:** Support

## Health Care

**Health Care Cost Containment Council (H.B. 1613):** This legislation would reauthorize and modernize the Pennsylvania Health Care Cost Containment Council. PHC4 is an independent agency that provides consumers with comparative data to help them make informed health care decisions. **Status:** The bill passed the House and is currently awaiting consideration by the full Senate.

**PA Chamber position:** Support

## Labor

**Clarifying Prevailing Wage Maintenance Work Exemption (H.B. 297):** Pennsylvania's Prevailing Wage Act requires that all public projects costing more than \$25,000 pay workers on those projects a prevailing minimum wage. The Act has not been updated in decades and fails to reflect today's labor and materials prices, resulting in sharp cost hikes that have caused many municipalities to delay or shelve important community projects. This bill would clarify the definition of "maintenance work" within the Act, to exclude from the Prevailing Wage mandate work that is performed on dirt, gravel, and low-volume road maintenance projects. This is because municipalities that still have dirt and gravel roads are the least able to absorb such a high cost of maintenance. **Status:** The bill passed the House Labor and Industry Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

**State Preemption of Employment Law (H.B. 861):** This legislation would codify that public policy related to employment and workplace be set at the state level. Pennsylvania's labyrinth of local governments is not conducive to municipalities pursuing employment and labor laws as employers could be forced to comply with a patchwork of mandates that are inconsistent with state law and each other. House Bill 861 is also important for Pennsylvania's competitiveness as numerous states, including Ohio, Indiana, Michigan and Wisconsin, have passed similar preemption bills. **Status:** The bill passed the House Labor and Industry Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

**Prevailing Wage Exemption for Distressed School Districts (H.B. 1479):** Pennsylvania's prevailing wage law, enacted in 1961, requires that workers on public projects costing \$25,000 or more be paid a state-determined minimum rate, which is typically the local union wage. This number is often grossly inflated, burdening employers and taxpayers with higher costs. The PA Chamber has long opposed this law not only because it mandates that employers pay higher wages than what the market might dictate; but because it can add significantly to the cost of public construction projects. This legislation would exempt financially distressed school districts from this burdensome mandate, allowing more tax dollars to be directed towards the classroom. **Status:** The bill passed the House State Government Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

**Independent Contractor Status Verification Process (H.B. 1781):** This legislation helps workers and employers avoid confusion or misunderstandings related to the worker's status as either an independent contractor or an employee, as it relates to eligibility for workers' compensation benefits. Too often, misunderstandings are brought to light after an injury has occurred. While disagreements and confusion will never be completely eliminated, H.B. 1781 at least provides a process for both parties to jointly confirm the employment status of the individual, who deserves to know if he or she is eligible for workers' compensation before the unfortunate event of a workplace injury. **Status:** The bill passed the House Labor and Industry Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

*continued on page 10*

## Legislative Update

*continued from page 9*

**Prohibit Project Labor Agreements (H.B. 1849):** This legislation would bar the use of Project Labor Agreements on taxpayer-funded projects. A PLA is a comprehensive, pre-hire agreement on a public works project that is signed by a contractor and unions, agreed to by subcontractors, and also recognizes the union as the sole representative of workers on a specific public project. PLAs typically are a strategy for organized labor to secure public construction projects by reducing competition through effectively excluding merit or “open” shop contractors. **Status:** The bill passed the House State Government Committee and is awaiting consideration by the full House.

**PA Chamber position:** Support

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### Unemployment Compensation Relief from Charges (H.B. 2458):

Under the current system, when a worker is eligible for unemployment compensation benefits, their base-year employer is “charged” for those benefits. These charges are then factored into an employer’s experience-based tax rate. The law allows for a number of situations where it may not be fair to charge an employer for benefits paid to a specific worker. In these types of situations, employers are given a 15 day window to request relief from charges. This legislation extends the window for an employer to request relief from charges from 15 to 30 days, giving the employer extra time to navigate the sometimes complex request process. **Status:** The bill passed the House Labor and Industry Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

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### Compliance with Federal Law Following *Janus* Decision (H.B. 2571):

The U.S. Supreme Court’s recent *Janus* decision prohibits public sector unions from forcing non-union members to pay fees to the union. This legislation repeals Pennsylvania law that authorized these unconstitutional fees and ensures that public employees and job applicants are aware of their rights. **Status:** The bill passed the House Labor and Industry Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

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**Public Sector Union Opt-Out Process (H.B. 2593):** Under current law, a union member can only resign their membership from their union during the 15-day period before a collective bargaining agreement ends. This legislation would increase that window from 15 to 45 days. Additionally, the legislation provides that union members be made aware of their rights under the Public Employee Relations Act. This bill is an important measure for worker freedom, by ensuring that employees are aware of their existing right to resign from a union if they would like to do so. **Status:** The bill passed the House Labor and Industry Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

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**Mandatory Leave Policies (S.B. 128):** A growing national trend finds local governments attempting to impose their own leave requirements on employers. In February 2015, the city of Philadelphia approved a mandated leave policy for businesses with 10 or more employees, and the city of Pittsburgh passed a similar policy for all employers in the city that was later

struck down in Allegheny County Court. The PA Chamber opposes mandatory leave policies and supports efforts to prohibit a local government from imposing leave mandates beyond what is required by state or federal law. **Status:** The bill passed the Senate Local Government Committee and is currently awaiting consideration by the full Senate.

**PA Chamber position:** Support

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## Legal Reform

### Merit Selection of Statewide Appellate Court Judges (H.B. 111):

This legislation would amend the state constitution to allow for a regional, merit selection of statewide appellate court judges. The PA Chamber supports measures that increase the predictability and efficiency of the Commonwealth’s legal environment. This legislation will help to ensure Pennsylvania’s appellate court is comprised of qualified judges who are independent of the electoral process. **Status:** The bill passed the House Judiciary Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Support

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**Commerce Court (H.B. 401):** This legislation would allow the Pennsylvania Superior Court to create a Commerce Court program for the Superior Court. Specialized business courts with the authority to preside over various types of business disputes, similar to what currently exists in Delaware, facilitate more timely and expeditious resolutions. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Judiciary Committee.

**PA Chamber position:** Support

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### Raising the Minimum Recovery in Private Actions (H.B. 475):

Pennsylvania’s legal climate is consistently ranked as one of the worst in the nation. This legislation will negatively impact the state’s already overly litigious legal environment by increasing the monetary amount an individual can sue for as a private action under the law. **Status:** The bill passed the House Consumer Affairs Committee and is currently awaiting consideration by the full House.

**PA Chamber position:** Oppose

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## Liquor Reform

**Private Sector Spirit-To-Go Sales (H.B. 438):** This legislation would effectively end the state’s remaining monopoly on alcohol sales by allowing the private sector to sell spirits. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Law and Justice Committee.

**PA Chamber position:** Support

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**Creation of PA Retail Franchise Store License (H.B. 991):** This legislation would effectively allow the private sector to create “one-stop shops” when it comes to the sale of wine and spirits. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Law and Justice Committee.

**PA Chamber position:** Support



**Wine Wholesale and Retail Licenses (H.B. 975):** This legislation would divest the state's wholesale system of wine, effectively removing the Pennsylvania Liquor Control Board from wholesale transactions involving wine. Additionally, this measure would permit wine to be sold in grocery store aisles and purchased at the point of sale with other goods; increases the amount of wine which can be purchased in a single transaction; and would allow for additional retail outlets to sell wine. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Law and Justice Committee.

**PA Chamber position:** Support

**Wholesale Divestiture of Wine and Spirits (H.B. 1075):** This legislation would effectively privatize the wholesale system of wine and spirits transactions in the Commonwealth. Under the current system, the Pennsylvania Liquor Control Board has a monopoly on the purchase and distribution of wine and spirits to all outlets within the state. This measure would allow importers to bring in a larger variety of products and would allow licensees the ability to negotiate pricing on the products they purchase. **Status:** The bill passed the House and is currently awaiting consideration in the Senate Law and Justice Committee.

**PA Chamber position:** Support

## Regulatory/Permitting Reform

**Regulatory Repeal (H.B. 209):** This legislation would establish an Independent Office of the Repealer to conduct regular, independent, systematic reviews of existing state regulations. The office would also be charged with evaluating recommendations from the public on existing statutes and regulations and making recommendations to the General Assembly and governor for repeal, modification or revision. **Status:** House Bill 209 passed the House and is currently awaiting consideration in the Senate Rules and Executive Nominations Committee.

**PA Chamber position:** Support

**Legislative Review of Significant Regulations (H.B. 1237 and S.B. 561):** The PA Chamber supports measures that allow for greater public comment and input on government regulation decisions. This legislation enhances the General Assembly's role in the regulatory approval process for "economically significant" regulations (regulations with an economic impact or cost to the state, its political subdivisions and to the private sector that exceeds \$1 million) — allowing for a greater review process of regulations that could create additional undue burdens on the Commonwealth's business community. **Status:** House Bill 1237 passed the House and is currently awaiting consideration in the Senate Rules and Executive Nominations Committee. Senate Bill 561 passed the Senate and is currently awaiting consideration in the House State Government Committee.

**PA Chamber position:** Support

**Reform of the Regulatory Review Process (H.B. 1792):** This legislation will extend provisions of the Regulatory Review Act to allow the General Assembly to initiate the removal of outdated regulations. **Status:** This bill passed the House and is currently awaiting consideration in the Senate Rules and Executive Nominations Committee.

**PA Chamber position:** Support

## PA Chamber Legislative Accomplishments

As the Statewide Voice of Business™, the PA Chamber advocates for pro-jobs, pro-growth legislation in the halls of the state Capitol. This fall, several PA Chamber backed bills were recently passed by the General Assembly and signed into law by Gov. Tom Wolf, including:

- **Act 107 of 2018:** This new law directs the Pennsylvania Department of Community and Economic Development to create a one-stop-shop online permitting portal for businesses.
- **Act 111 of 2018:** Last year, in the *Protz v. Workers' Compensation Appeals Board* case, the Pennsylvania Supreme Court threw out the use of Impairment Rating Evaluations, which were utilized to assess an injured employee's level of impairment in order to determine their disability status. As a result of this ruling — which was based on a technicality — the Pennsylvania Compensation Rating Bureau issued an unprecedented mid-year loss cost increase, raising WC costs for employers throughout the Commonwealth. This law addresses the concerns raised by the Supreme Court and reinstates the IRE process.
- **Act 131 of 2018:** This law ensures the equal treatment of air freight companies under Pennsylvania tax law.
- **Act 132 of 2018:** The UEGF is funded by the business community and pays medical expenses and lost wages for injured workers whose employer failed to purchase or maintain workers' compensation insurance coverage. With the fund nearing insolvency, Act 132 will provide the Department of Labor and Industry with the tools to help prevent illegitimate claimants from accessing benefits, as well as the ability to pursue and penalize negligent employers, whose failure to purchase workers' compensation coverage increases costs on other employers.

In addition to the above measures, two other PA Chamber supported bills approved by the General Assembly were unfortunately vetoed by Gov. Tom Wolf in the final days of session. Included on this list is H.B. 2138 — legislation that would have generally required able-bodied adults receiving Medicaid to work, seek employment or participate in job training. Despite the fact that there were numerous exemptions included in the legislation, the governor vetoed the bill on Oct. 19, 2018.

On Oct. 24, 2018, the governor also vetoed S.B. 1172. This bill, which had bipartisan support, would have amended the Price Gouging Act to address employers' concerns regarding the automatic triggering of price controls on all household and consumer goods and products statewide whenever the governor issues a disaster declaration. Specifically, the legislation would have limited the duration of pricing restrictions to 15 days, with extensions up to 60 days, and limited their scope to those goods and services necessary for use or consumption; among other changes that would have offered more clarity and certainty to employers.

For a complete list of 2017-18 session victories, be sure to check out the Winter 2018/19 edition of *Catalyst*.

In the Summer 2018 edition of *Catalyst*, the wrong description was listed for Act 29 of 2018. We apologize for the error.





# STaRT Program Helping Today's Employees (Especially Women!) Think About Tomorrow's Retirement

By Robin L. Wiessmann

**A**ccording to the National Institute on Retirement Security, 45 percent of Americans have nothing saved for retirement. No retirement account assets. Nothing. The median retirement account for all working-age households is only \$2,500, and median savings for those nearing retirement is only \$14,500.<sup>1</sup>

At the same time, Americans are facing nothing less than an assault on their financial futures from personal debt, student debt, and financial scams and exploitation.<sup>2</sup>

Clearly, too many Americans have been putting off planning for life after they have stopped working full-time: many are going to rely too heavily on Social Security, and many will put off retirement and continue to work full or part-time — not by their choice — and well after normal retirement age.

For female employees, the retirement challenge is especially daunting for several reasons:

- Women are likely to be solely responsible for financial decision-making at some point in their lives.
- Life expectancy for women is longer than men, and women are most likely to be widowed after age 65.
- Women often have higher health care expenses in retirement.
- Women have lower average wages and lower lifetime earnings.
- Women are more likely to be caregivers — even in their retirement years — to aging parents or adult children, further compounding financial challenges.
- Women carry nearly two-thirds of the country's student loan debt.



The challenges for women begin long before retirement. During their working years, women are more likely than men to take time away from work to raise children. This means fewer years with income to save, or with employer matches on retirement plans. It also means reduced Social Security checks.

It is also more likely that female employees have saved less for retirement. Women are less likely to have money in a defined contribution retirement plan or an IRA, and they have less household saving and investments. Women are less likely to have calculated how much money they will need to retire comfortably and — when they have done a calculation — are more likely to have underestimated how much money they will need.<sup>3</sup>

According to the Employee Benefits Research Institute: “Women — particularly unmarried women — are less likely than men to say they are very confident about having enough money to live comfortably throughout their retirement years.”<sup>4</sup>

Human Resources directors will agree that this is an issue directly related to employee recruitment, productivity and retention.

## What Can Be Done?

In Pennsylvania, we are rising to meet this challenge — for both women and men — through educational programs like “Start Today and Retire Tomorrow,” which uses business and community settings to discuss ways that people can plan for the retirement they want and deserve.



STaRT can help employees work through the two most important issues facing people at all stages of adulthood as they think about the future:

- How do you picture your retirement?
- How much savings do you need to retire?

Having a plan is crucial to success — whether it's for diet, exercise, a work project or retirement. It's important for employees to learn more about what they need to reach their retirement goals, especially how much money they will need. STaRT addresses the needs of employees at every stage of their careers.

The first phase of planning for retirement begins the moment someone enters the workforce. The earlier that people start saving and investing for retirement, the bigger their nest egg, the bigger an emergency fund and the more financial pressure taken off their shoulders as they are confronted by life's unexpected, unplanned challenges.

At mid-career, employees are asking “am I on track?” while trying to juggle the lifestyle they want now with the retirement they want later. They are trying to make sure their spending and saving habits are closely aligned with the goals and plans they made earlier in their careers. And they are taking fewer risks to ensure they achieve those retirement goals.

Within five to 10 years until retirement, employees are asking “are we there yet? They are likely at the peak of their earning capacity and enjoying a lifestyle that they would like to continue into retirement. They are hypervigilant about making sure their financial decisions are sound and that they are doing everything they can to protect their money from fraud and scams.

Through the STaRT program, my colleagues and our Investor Education Coordinator, George Dillman, is prepared to address all the issues, challenges and questions facing your employees at each phase of their careers.

According to the U.S. Department of Labor, almost 75 million women participate in the American workforce; nearly 47 percent of American workers are women. Because retirement confidence is such a critical aspect of women's lives, it is also an important element of workforce strategies. I urge you to contact George ([informed@pa.gov](mailto:informed@pa.gov)) to discuss booking a STaRT planning seminar for your company. ■

■ **Robin L. Wiessmann** is Secretary of Banking and Securities for the Commonwealth of Pennsylvania.

<sup>1</sup> The National Institute on Retirement Security: "The Retirement Savings Crisis: Is It Worse Than We Think?" [www.nirsonline.org/reports/the-retirement-savings-crisis-is-it-worse-than-we-think](http://www.nirsonline.org/reports/the-retirement-savings-crisis-is-it-worse-than-we-think)

<sup>2</sup> The Pew Charitable Trusts: "The Complex Story of American Debt" [http://www.pewtrusts.org/~media/assets/2015/07/reach-of-debt-report\\_artfinal.pdf](http://www.pewtrusts.org/~media/assets/2015/07/reach-of-debt-report_artfinal.pdf); Center for Microeconomic Data, Federal Reserve Bank of New York "Student Loan Data and Demographics" [https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl\\_update\\_2016.xlsx](https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl_update_2016.xlsx); The True Link Report on Elder Financial Abuse <http://documents.truelinkfinancial.com/True-Link-Report-On-Elder-Financial-Abuse-012815.pdf>

<sup>3</sup> Employee Benefits Research Institute Retirement Confidence Survey: [www.ebri.org/surveys/rcs/2015](http://www.ebri.org/surveys/rcs/2015)

<sup>4</sup> *Ibid.*

<sup>5</sup> "12 Stats About Working Women" <https://blog.dol.gov/2017/03/01/12-stats-about-working-women>

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## Diverse Scholars Initiative Helping to Groom Next Generation of Health Care Talent in Pennsylvania and Beyond

By Allison Davenport

**H**aving a robust, diverse workforce of doctors, nurses and other medical practitioners is tantamount to providing the best health care possible for Pennsylvanians, as well as improving the care-delivery model of the future.

Health care workers are in such high demand that the Bureau of Labor Statistics predicts that the United States will need to hire 2.3 million medical practitioners by the year 2025. As the need for medical professionals continues on this tremendous growth trajectory, it is imperative that the workforce solidly reflects our society at large because diversity brings about enhanced communication, access to care, patient satisfaction and decreased health disparities. Cultural competence has gained attention as an important strategy to improve quality and access, and eliminate racial/ethnic disparities in health care.

That's why the United Health Foundation — the philanthropic arm of UnitedHealth Group — has forged relationships with nine nonprofit and civic organizations — including the American Indian College Fund, Asian & Pacific Islander American Scholarship Fund, Congressional Black Caucus Foundation, Congressional Hispanic Caucus Institute, The Jackie Robinson Foundation, National Association of Hispanic Nurses, National Hispanic Health Foundation, National Medical Fellowships Inc. and the United Negro College Fund — to create the Diverse Scholars Initiative.





The program is laser-focused on identifying and developing diverse talent that will be essential in delivering culturally competent care and ultimately elevate the quality of service, bolster innovation and help create a 21st Century workforce. Through the initiative, undergraduate, graduate and doctorate-level students across the country receive scholarships that enable them to pursue careers as health care professionals and make a difference in communities. Scholars must demonstrate financial need, the pursuit of a degree that will lead to a career as a primary care health professional and a commitment to working in underserved communities.

“Creating a future health workforce that meets a community’s diverse and distinct health care needs is critical to building healthier communities,” said Chris Stidman, president of the United Health Foundation. “Increasing access to culturally competent care helps reduce health care disparities and improves health outcomes.”

Students who are part of the program also want to give back, as many of them go on to work in low-income areas and community health centers where they address issues affecting population health and access to care. According to America’s Health Rankings, a healthcare information project of the UnitedHealth Foundation, only about 149 primary care physicians are available for every 100,000 people across the country. And by 2030, [fightchronicdisease.org](http://fightchronicdisease.org) reports that 29 percent more people will be living with chronic conditions than there are today.

With this in mind, Pennsylvania can play a huge role in grooming and developing the next generation of health care professionals, as it is a state with that offers an array of distinguished academic institutions, industries that support and augment the health care sector — and diverse talent.

Take Claire Hoffman from Lehigh Valley. A job-shadowing program during her junior year of high school led her to pursue her dream to be a physician. Matched with a pediatrician as a mentor, Claire’s initial interest in science steered closer toward health. She continues that journey today. Now a sophomore at Harvard University, Claire plans to major in neurobiology and attend medical school after graduation. Understanding the financial burden that comes with a career in the health care field, Claire applied for and received a Diverse Scholars Initiative scholarship through the Jackie Robinson Foundation.

“Even with financial aid, college can be an incredibly costly experience,” Hoffman says. “This scholarship makes paying for school without large student loans a much more realistic possibility for me, which I am eternally grateful for.”

Hoffman also recently participated in the DSI forum in Washington, D.C. Hosted by the United Health Foundation, the event welcomed 100-plus scholarship recipients for several days of educational presentations to learn more about health care quality improvement, technology, innovation and policy. At the forum, Hoffman connected with other aspiring health care professionals and fellow scholarship recipients from across the country.

Kyle Gleaves, a student at Geisinger Commonwealth School of Medicine in Scranton, is also a scholarship recipient who attended the DSI forum. Growing up alongside an older brother with autism, Gleaves always understood how disease can affect not only patients, but their families.

Hoping to become the type of compassionate specialist who cared for his brother, Gleaves became dedicated to studying internal medicine. Throughout his time at Geisinger, his passion for internal medicine strengthened as he educated homeless shelter residents about health topics and took on the challenge of trying to diagnose patients during his inpatient rotations. As a physician, Gleaves hopes to give back to the community that helped inspire him to study and serve others in the health care field.

“As the cost of tuition increases, many students are turning away from medicine altogether,” Gleaves said. “It is because of this problem that I believe it is important to invest in the next-generation health workforce.”

**“Creating a future health workforce that meets a community’s diverse and distinct health care needs is critical to building healthier communities.”**

Since the inception of the Diverse Scholars Initiative in 2007, the United Health Foundation has provided more than \$18 million in funding in support of nearly 2,400 scholarships.


“While African Americans, Hispanics and Native Americans make up 33 percent of the population in the United States, just under 9 percent of practicing

physicians identify as members of these groups. Through their generosity and steadfast support since 2009, the United Health Foundation has helped the Jackie Robinson Foundation address the root of this problem — education,” said Della Britton Baeza, CEO of the Jackie Robinson Foundation. “Together we are helping to create a more diverse and equitable pipeline of physicians and other health care professionals to close this unacceptable gap in our workforce.”

In 2018, several Pennsylvania students were selected as DSI scholars and are attending various medical schools, including: Drexel University School of Medicine, Harvard University, Penn State Abington, Philadelphia College of Osteopathic Medicine, Temple University, The Commonwealth Medical College and the University of Delaware.

In addition to the philanthropic efforts throughout the United Health Foundation, UnitedHealthcare is also working in concert with other state organizations, like the Chamber of Commerce of Greater Philadelphia and its “GrowPA initiative,” a collaboration of chambers and organizations throughout the state, to help build the state’s workforce of the future. And with state’s strong roots in industries such as heavy manufacturing, energy and agriculture, there is a lot to be said about the steadfastness of the Pennsylvania’s workforce — and how it can be a key contributor to the health care space.

The need for culturally competent, quality health care providers has never been so great. By attracting, training and deploying primary care providers and other health care professionals, UnitedHealthcare is helping to modernize and improve the U.S. health care system, as well as build the Pennsylvania workforce.

For more information about this important health care initiative, visit the Diverse Scholars Initiative page on [UnitedHealthGroup.com](http://UnitedHealthGroup.com). 

■ Allison Davenport is CEO of the UnitedHealthcare Community Plan of Pennsylvania.



Made in PA

*Sweet Success:*

Gertrude Hawk  
CHOCOLATES

## From a Scranton Kitchen to a Household Name, Gertrude Hawk Chocolates Builds a Family-Owned Legacy

**B**ack in 1915, when Gertrude Hawk was only 12 years old, she began working in a candy shop in Scranton, Pennsylvania. While her reason for working there was out of necessity (her father died young and her mother fell ill, leaving her to support her family financially) she soon learned and found a love for the art of chocolate making.

That's why in the mid-1930's, in the midst of a Great Depression, Hawk (who by that time was married with two sons) became determined to combat the lean economy by





putting her knowledge and passion for chocolate making behind building her own business. Gertrude Hawk Chocolates was born in 1936 in the kitchen of her family's small home in Scranton. The products were deemed delicious and were a hit among locals, which helped the Hawks run a steady business for many years. After their son Elmer returned home from the war in the 1940's, he made the decision to partner with his parents — taking the pay he received from his service to purchase machinery and equipment that would help the family-run company grow. "I liked the candy business," Elmer says, "Maybe because I liked eating chocolate. It's a fun business. Very rarely do you meet someone who doesn't enjoy chocolate."

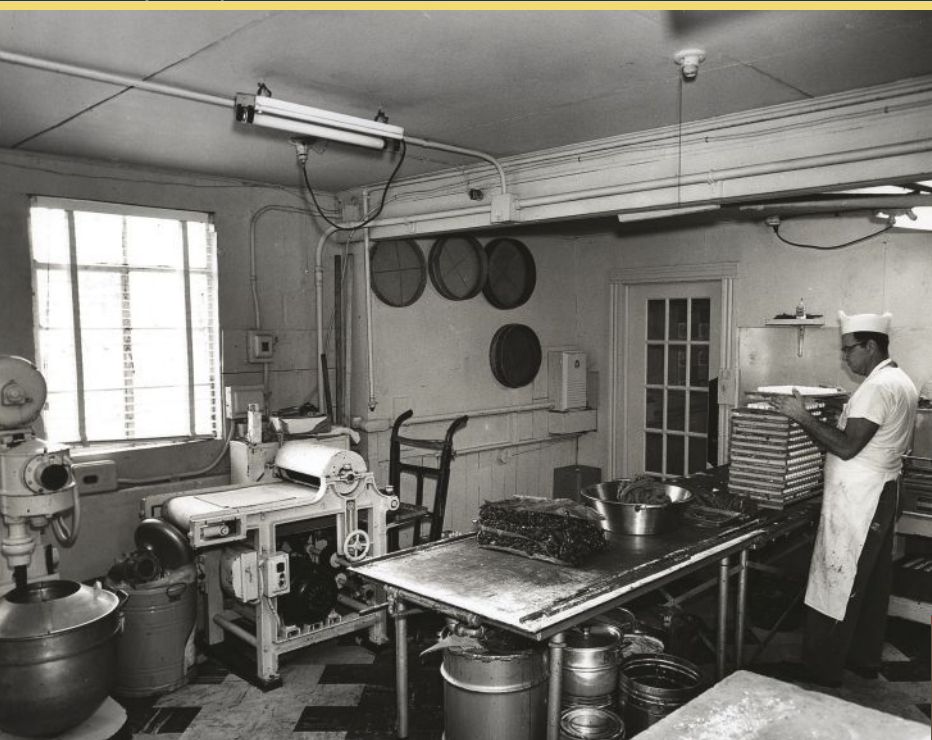
### A Family Affair

As time went on, Gertrude Hawk made the visionary decision to promote and establish the fundraising side of the business, as it was an effective and practical way to get the company's name and products out to the

broad-based community. Gertrude Hawk Chocolates continued to expand out of its small family kitchen until 1959, when the state Dept. of Transportation announced it was taking the Hawk home for the construction of Interstate 81. Elmer Hawk found a big piece of land off of the newly constructed highway's Dunmore exit, on which the company built a factory, retail shop and restaurant — all of which were opened in the early 1960's.

Over the next 25 years, seven additions were made to the building in Dunmore to accommodate the business's growth. The restaurant operated until 1973, when it closed to make room for a larger retail store. Additional retail stores were opened in locations around Northeastern Pennsylvania and upstate New York. In 1971, Elmer and Louise's oldest son David joined the company and began working alongside his father; and in 1979, Elmer bought out his parents and became owner and president of Gertrude Hawk Chocolates.

*continued on page 18*



## Sweet Success

*continued from page 17*

### The Birth of the Smidgen

In the early 1980's, David took a trip to England to look at new machinery. It was on that trip that he discovered a revolutionary one-shot shell molding process to produce molded chocolates. Upon his return, David convinced his father to invest in a shell molding machine — a decision that launched the company into a new direction. In 1984, Smidgens® were born and became the first product produced with the shell molding machinery. Smidgens® — bite-sized milk, dark or white chocolates that are either solid or filled with a variety of creamy centers — remain the number one best-seller for Gertrude Hawk Chocolates.

Gertrude Hawk lived to see the birth of the Smidgen and the undeniable positive impact it had on her family's company. While she passed away in 1987 — a few years before a new manufacturing and operations facility opened in Dunmore — she did get to see her dream of a successful chocolate making business realized. Elmer and his son, David, worked together as partners until Elmer's retirement in 1992, after which David became president and Chief Executive Officer, continuing his grandparents' and parents' dedication to producing high quality chocolate products here in Pennsylvania.

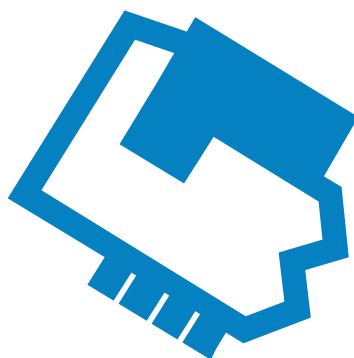
### True to Their Roots

There have been several changes in the years since, all of which have been positive for this successful and driven company. In 1995, Gertrude Hawk Chocolates began a new division for ingredients and contract

manufacturing that quickly became the biggest division of the company through the creation of new and innovative technology and processes to create ice cream and baking inclusions. In the early 2000's, Bill Aubrey, formerly of Kraft Foods, became Chief Executive Officer while David remained Chairman of the Board. Working together, the duo helped Gertrude Hawk Chocolates become the leader in the ingredients market with wide-ranging capabilities, a creative research and development team and unmatched quality that produced lasting partnerships with customers. Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, acknowledged this; and in 2017, he acquired the Ingredients Division from Gertrude Hawk Chocolates.

After the acquisition, Gertrude Hawk Chocolates returned to its roots by focusing on three business divisions: Retail, Fundraising and Wholesale. All three divisions are based on the same principles Gertrude Hawk established when she founded the business. The ingenuity and creativity that propelled Gertrude Hawk Chocolates to the success it has achieved is still present in every aspect of the business today. In 2018, the manufacturing facility and offices moved to an existing warehouse and new facility in Dunmore, where they continue to craft world-class products.

Through all the changes and growth, Gertrude Hawk Chocolates is still a privately, family owned business. All the chocolates produced remain true to the traditional time-honored recipes founded by Gertrude Hawk herself. With the new facility only four miles from the original house in Scranton, Gertrude Hawk Chocolates is proud to have its storied history and dynamic future rooted in Northeastern Pennsylvania. ■



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### People



**RETTEW** recently hired **Mark Moschella** as a transportation engineer. Working from the firm's Conshohocken, PA office, Moschella manages transportation design projects in Eastern and Central

Pennsylvania, specifically Pennsylvania Department of Transportation work. He focuses on business development, project management and team integration. Moschella has more than 30 years of experience delivering transportation projects throughout Pennsylvania and New Jersey. He has been involved in projects of all sizes, from intersection improvements and single-span bridges to multi-million dollar interchanges and complex structures for many state agencies. He has worked in both the design and construction sides of the engineering industry, overseeing roadway, structure, drainage and traffic control plan development, as well as construction management, inspection and support services.

**Mowery**, an industry-leading construction company based in Mechanicsburg, PA, is pleased to announce the addition of **Keith Klinedinst** of as superintendent. In this position, Klinedinst is responsible for managing daily operations, inspections, quality control, documentation, scheduling and job site safety. Klinedinst has 22 years of experience in the construction industry, including 17 years serving as a superintendent. He holds many certifications including ProCore Safety Qualified, Pro Core Superintendent, OSHA 10 Hour, OSHA 30 Hour, CPR/AED First Aid and ABC Advanced Blueprint Reading, among others.



**Barley Snyder** associate **Brian A. Korman** has been named to the board of directors of the Bench Mark Program, a Lancaster-based nonprofit organization that has been dedicated to helping at-risk youth since its

founding in 2014. Korman joined the firm full-time in 2016 and is a member of the firm's Business and Real Estate practice groups. In addition to his new position at Bench Mark, he also a member of the board of directors at the Boys & Girls Club of Lancaster. The Bench Mark Program allows mentors to use exercise, academic support and career counseling to reach

at-risk youth in the Lancaster area and propel them to success.

**Barley Snyder** is also pleased to announce partner **Thomas J. Nehilla** was named to the board of directors at Whitaker Center for Science and the Arts in downtown Harrisburg. The Whitaker Center is one of the capital city's premiere destinations. Opened in 1999, the center is a non-profit center for the arts, education, entertainment and cultural enrichment located in the heart of Harrisburg's vibrant downtown. Nehilla is a member of the firm's Business and Real Estate practice groups, working in residential, commercial and industrial transactions. He graduated *magna cum laude* from Dickinson School of Law.

**RKL Wealth Management LLC** announced that **Nicholas A. Boyer** was named one of *Central Penn Business Journal's* 2018 "Forty Under 40" recipients. This annual award program celebrates the midstate's most accomplished young leaders for their commitment to business growth, professional excellence and community service. Boyer serves as Chief Investment Strategist for RKL Wealth Management, which has \$1 billion in assets under management/advisement. In this role, he manages the firm's investment team and chairs RKL Wealth Management's Investment Committee, which is responsible for investment

policy review and portfolio strategy development. Before joining RKL Wealth Management in 2016, Boyer earned a decade of experience in the financial services industry, serving the wealth management needs of high net worth individuals and families and advising institutional asset managers on global investment strategies. From 2000 to 2004, Boyer served as a United States Marine Corps Scout Sniper and Sergeant with special operations units in Afghanistan during Operation Enduring Freedom. After completing his tour of duty, Boyer earned a B.A. in Business Administration/Economics, Risk Management and Insurance from Temple University's Fox School of Business and Management. He sits on the Lancaster Public Library board of directors, where he plays an integral role in the library's capital campaign to modernize facilities and improve community services.

**Sandra K. Basehore**, executive vice president of Environmental Services; **Gerald W. Longenecker, PE**, executive vice president of Engineering Services; and **James T. France**, executive vice president and chief financial officer, have become principals of **Skelly and Loy, Inc.** Resulting from an extensive succession planning process, the three were welcomed to the leadership team to help guide the company into the future. In their new roles, the three are responsible for all aspects of personnel and

Due to continued growth in the Central Pennsylvania region, **Wohlsen Construction Company** is pleased to announce the addition of three new superintendents to the Wohlsen team. These construction professionals are on site full-time, leading the project teams on Wohlsen's recently awarded projects.



**Archie E. McConnell** returns to Wohlsen as a superintendent for Lycoming College's new Gateway Building. With over 41 years of experience in the construction industry, he is responsible for planning, organizing and managing resources to bring about the successful completion of Wohlsen's projects.



**Bradley M. Butt** is superintendent for the Oak Hills Development project, continuing his 14 year-long career in the construction industry. Starting as a laborer, Butt gained experience through his ABC Carpentry Apprenticeship, and quickly assumed leadership roles on projects as a superintendent. Butt has managed projects ranging from \$10,000 to \$110,000,000 with crews of up to 400 workers, bringing valuable managerial and technical experience to the project's team.



Also joining the team is **Timothy K. Boos** who serves as the superintendent on the Wilbur Chocolate Building. With over three decades of experience in the construction industry, Boos has previously served as a regional construction manager and director of operations. His experience, leadership skills and technical knowledge will enable him to successfully lead and direct the efforts in the field, solve unforeseen problems, and maintain the quality and safety standards of Wohlsen.

# UPCOMING EVENTS

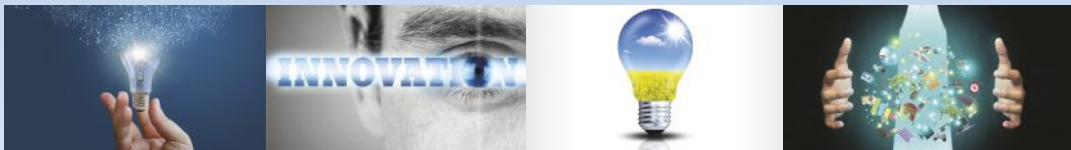
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The PA Chamber Educational Foundation presents this new event not only to showcase Pennsylvania’s profile as a leader in innovation, but to educate on the latest innovation techniques and practices that presidents, CEOs, top officers, business leaders, environmental and human resources directors in Pennsylvania and surrounding states can take back and begin to use for their companies and communities.

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**Liberty Environmental, Inc.** is pleased to announce that **Alyssa C. Hannigan** joined the firm as a project scientist in the site assessment and remediation services group. A native of Lancaster, Hannigan obtained a degree

in Biology from Messiah College. She is an active member of the Lancaster Young Professionals and Young Professionals Network of the Lancaster Chamber of Commerce and Industry. As an avid runner, gardener, traveler and photographer, she enjoys residence in the city of Lancaster with her husband Matthew.

*continued on page 22*

### 2018 Annual Human Resources Conference

8:30 a.m. to 3:45 p.m.

Tuesday, November 27

Hershey Lodge, Hershey



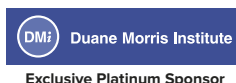
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For additional events, and to register online, visit [pachamber.org](http://pachamber.org)



## High-fives

continued from page 21



**Dianne Denison**, founder and CEO of **Denison Consulting Group / Denison Technologies** was recently named to the National Small Business Association Leadership Council. NSBA is the

nation's oldest small-business advocacy organization and operates on a staunchly nonpartisan basis. Denison, a recognized leader

in the small-business community, joins the NSBA Leadership Council alongside other small-business advocates from across the country as they work to promote the interests of small business to policymakers in Washington, D.C.

Denison Consulting Group has been named "one of the top 10 in the country" in manufacturing intelligence for 2017 and again in 2018, as recognized by the industry. The firm has developed a reputation within the industry for its ability to deliver a comprehensive solution suite assisting manufacturing and industrial clients reduce energy costs and improve power quality

crucial to ongoing cost competitiveness, efficient operations and sustainability.

Denison joined the NSBA Leadership Council as part of her efforts to tackle the many critical issues facing small business, including tax reform, regulatory restraint, health care costs and how the Affordable Care Act will impact small business. The NSBA Leadership Council is focused on providing valuable networking between small-business advocates from across the country while ensuring small business a seat at the table as Congress and regulators take up key small-business proposals.



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At a recent ceremony, **PSECU Financial Education Manager Sara Weiser** was presented with Central Penn Business Journal's 2018 "Forty Under 40" Award. Selected by an independent panel of judges, the annual accolade is

presented to 40 of the region's business leaders under the age of 40 who demonstrate commitment to professional excellence, business growth and community involvement.

As Financial Education Manager for the state's largest credit union, Weiser shares important financial wellness information and instruction with thousands of people across Pennsylvania each year. Focused on educating the community about matters of financial wellness, Weiser built PSECU's education program, WalletWorks, nearly from scratch by developing and implementing a strategic plan; designing curriculum for student, business and nonprofit/community audiences; reporting program data for growth and improvement; training staff across the state on program materials; and identifying opportunities to share financial education with schools, businesses and nonprofit organizations.

Weiser also strives to be active in the community and give back to others. She served on the board of directors for the Capital Region Partnership for Career Development, volunteers with the Brown University Alumni Schools Committee as an alumni interviewer, served as Area Chair for the Harrisburg/Central PA and Lancaster-York Regions and is a member of the West Shore Young Professionals and the PCUA Young Professionals Network.

## Noteworthy

**KU Resources, Inc.** has joined with R F Mitall & Associates, a Plum Borough-based engineering firm, in establishing the Mitall Division of KU Resources. This new venture expands KU Resources' services and the added technical

depth of 13 professional and technical staff. Robert Mitall has stayed on as President of the Mitall Division. He is a professional engineer and surveyor with over 40 years of experience working with local companies and municipalities in the field of civil engineering, surveying, architectural support, waste water treatment and governmental support. The Mitall Division has extensive experience in providing consulting services to various units of local government as well as a proven track record in providing services to planners, architects, developers and contractors on site development projects. The Mitall Division of KU Resources now has licensed professional surveyors, employing state-of-the-art survey equipment to begin any design work or to layout infrastructure.



#### **Pennsylvania American Water** officials recently joined staff and students at The Vista School to introduce a new device to keep everyone hydrated

with cool refreshing water while helping reduce plastic bottled water waste. The water bottle filling station donated by the company is located in the school's gym. The company provided the Elkay water fountain bottle filler to The Vista School to promote healthy living by drinking more water. Last year, the company donated a similar unit to the Pine Street Elementary School in the Palmyra Area School District in Lebanon County.

"With this new device, we are able to provide these special needs students and the school staff with an easy, convenient way to fill their water bottles, while helping protect the environment by reducing plastic waste generated by bottled water," said Pennsylvania American Water Vice President of Operations Jimmy Sheridan. "The station even counts how many plastic water bottles are being eliminated each time someone uses his or her refillable bottle."

**Barley Snyder** has further strengthened its Maryland presence by opening a second office in the state, the latest one in Columbia, in close proximity to Baltimore and a short drive to the Washington, D.C. area. The firm's expansion into Maryland has proved successful enough to require a second base of operations in the state. Hunt Valley has housed a Barley Snyder office since 2014 and the firm has an increasing number of Pennsylvania clients that are expanding into Maryland. The firm now has four attorneys eligible to practice in Maryland, with another expecting to hear the results from his Maryland Bar Exam in the fall. The firm plans



Pennsylvania Department of Transportation Secretary Leslie Richards joined Centre County officials and community leaders for an event celebrating the I-99/I-80 high-speed interchange project. The event was hosted by the **Chamber of Business & Industry of Centre County** and supporters of the Chamber's 'DRIVE Forward' transportation initiative.

PennDOT was recently awarded \$35 million in federal *Infrastructure for Rebuilding America* grant funding, which will enable the eventual construction of a high-speed I-99/I-80

interchange and a local access interchange to replace the Bellefonte exit. The INFRA grant funding is leveraging another \$150 million from PennDOT to complete the total funding package of \$185 million needed to finish the project.

The event gave congressional leaders and local officials the opportunity to offer perspective on the successful, collaborative advocacy effort that helped to secure the grant, and what completion of the high-speed interchange will mean for the region generally and for travel to, from and through Centre County and central Pennsylvania.

further growth in the Maryland market through lateral hires. "Our business in Maryland has significantly expanded," said partner Paul Minnich, who has been one of the firm's driving forces on its Maryland expansion. "It makes complete sense to keep adding to the resources we already have there to continue that growth, especially when some of our biggest clients are asking us to follow them to Maryland."

Following nearly two years of planning, preparation, construction and validation, team members at **NewAge Industries/AdvantaPure** are now using new clean rooms to produce platinum-cured silicone tubing, molded components and Single-Use molded tubing assemblies. The products are manufactured for the biopharm, pharmaceutical and other clean application industries. "This was a big undertaking," noted Ken Baker, CEO of the

employee-owned business. "We needed additional clean rooms to manufacture more high-purity tubing and components to meet our customers' needs, but we didn't want to add a random room next to our other clean rooms. This new area was designed and built from the ground up, with a vetted, product flow-through design for raw materials, extrusion, molding, quality inspection and packaging." The ISO Class 7 and 8 clean rooms were built in existing space at the company's headquarters in Southampton, PA, just north of Philadelphia. The manufacturing suites and inspection areas total 23,000 square feet, with another 20,000 square feet renovated for additional warehouse space. NewAge invested \$10 million in the project. Engineering, design and construction was performed by AES Clean Technology Inc. of Montgomeryville, PA.

*continued on page 24*



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## High-fives

*continued from page 23*

**Stevens & Lee/Griffin** and Steiker, Greenapple & Fusco, P.C. and its affiliated company, SES ESOP Strategies, Inc., recently announced they reached an agreement in principle to combine. As part of this combination, eight ESOP professionals from SG&F and SES have joined together with Stevens & Lee/Griffin ESOP professionals to form a pre-eminent multidisciplinary ESOP firm. The new firm anticipates is now operating as **SES ESOP Strategies, a Stevens & Lee/Griffin Company**.

Professionals in this new organization continue to work with private company owners across the country to design, fund and implement transactions for succession and sale using Employee Stock Ownership Plans, and to assist current ESOPs to ensure long-term sustainability with substantial employee ownership.

**NTM Engineering, Inc.** proudly announced the recent opening of a new state-of-the art training center at the firm's Dillsburg headquarters. The training center provides a dedicated space to provide clients with advanced training in specialized engineering courses, including U.S.

Army Corps of Engineers' Hydraulic Engineering Center River Analysis System software program, Erosion and Sediment Control and more.

"We are excited for the opportunity to bring our training courses in-house and offer different topics on a regular basis. Each one of our instructors has the ability to use actual experiences and projects to stimulate and enhance the learning environment in our new center," stated NTM President Donna Newell, PE.



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**Wohlsen Construction** is proud to announce the completion of Wegmans Store 135 in Lancaster, PA. The construction of the 112,000-square-foot grocery store began in the late summer of 2017 with work completing according to its ten-month schedule in the early summer of 2018. The building was then turned over to Wegmans so training, stocking, and final preparations could ensue.

The building is constructed of structural steel with precast panels and metal stud framing for the wall assemblies. The exterior finishes include split-face CMU, EIFS, stone veneer, stained precast panels, stranding seam roofing and asphalt shingles.

On Sunday, September 23 the store's Grand Opening was held, drawing large crowds of eager shoppers. As one of the largest food markets in Central Pennsylvania, the store offers restaurant-quality prepared foods, a catering department, florist, beer and wine department, and a pharmacy, on top of providing typical grocery amenities. The building also features a family-friendly, casual restaurant called The Burger Bar and has indoor and outdoor seating to accommodate nearly 300 guests.


## Recognition



The National Armaments Consortium and the Department of Defense Ordnance Technology Consortium have recognized **Concurrent Technologies Corporation** for Outstanding Technical Achievement. The award was presented on April 11 at NAC's General Membership Meeting in Arlington, Virginia. CTC was recognized for its innovative approach to manufacturing ammunition, ultimately improving logistics and the end products. The company is developing and testing prototype ammunition cases that simplify the manufacturing process, reduces the total cost of ownership and manufacturing footprint, increases performance and reduces weight. CTC's award for outstanding technical achievement is a result of working with the U.S. Army, specifically to further develop and enhance ammunition and ammunition systems.

**Eckert Seamans Cherin & Mellott, LLC**, a full-service national law firm, is pleased to announce that 42 firm attorneys were recently selected by their peers for inclusion in *The Best Lawyers in America*® 2019. Notably, six of the firm's attorneys were also named "Lawyer of the Year for 2019," a distinction reserved for only a single lawyer in each specialty area of the law in each community. Best Lawyers compiles its lists of outstanding attorneys by conducting exhaustive peer-review surveys in which thousands of leading lawyers confidentially evaluate their professional peers. Inclusion in *The Best Lawyers in America*® (2019) is determined by more than 5.5 million detailed evaluations of lawyers by other lawyers. The lawyers being honored as "Lawyers of the Year" have received particularly high ratings in surveys by earning a high level of respect among their peers for their abilities, professionalism and integrity.

Leading industry publication *INSIDE Public Accounting (IPA)* recently ranked **RKL LLP** 67th on the 2018 installment of its annual "Top 100 Firms" roundup. This ranking is based on RKL's 10.4 percent growth. RKL first entered the IPA Top 100 in 2012 and has increased its position since. While a deep bench of talented professionals and a dynamic range of service

capabilities play a notable role in the firm's continued growth, RKL remains focused on making a real and positive impact on its client base, representing small start-ups to multinational enterprises. Over the last decade, RKL has doubled in size but maintains an exceptional loyalty rating thanks to its durable, long-term client relationships. Earlier this year, another industry publication, *Accounting Today*, ranked RKL 64th on its Top 100 national firm listing. RKL was also named the 10th Best Place to Work in PA among large employers for 2017. 

## Have news to share about your company?

Send your press releases announcing hiring, promotions, accolades and more to *Catalyst* editor Lindsay Andrews for consideration in the magazine. You can reach her at [LAndrews@pachamber.org](mailto:LAndrews@pachamber.org).

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# North American Neighbors

In an insightful, exclusive Q&A with *Catalyst*, Canadian Consul General Phyllis Yaffe explains how the historic, unprecedented relationship between Canada and the United States is mutually beneficial for both of our nation's economies and our safety; and expresses why it's imperative that we keep it going strong.

*\*This interview was conducted prior to the signing of the United States-Mexico-Canada Agreement.*

**Canada and the United States have traditionally been among the world's strongest allies and trade partners. Can you provide a bit of background on the nations' relationship and why it remains critical to world peace and prosperity?**

Canada and the United States have a truly extraordinary relationship. We have the longest, most peaceful and mutually beneficial partnership of any two countries in the history of the world.

As allies, we tackle common security issues both at home and beyond our shared border. Our soldiers have served side-by-side in many conflicts since World War II, and continue to collaborate as founding members of the North Atlantic Treaty Organization (NATO). In May, we celebrated the 60th anniversary of the North American Aerospace Defense Command, a Canadian and American defense organization that monitors and protects North American skies and waterways.

In fact, it was NORAD that was responsible for grounding all aircrafts in American airspace on that tragic day of September 11th, and — most people don't know this — it was the Deputy Commander, a Canadian General, at the helm leading that mission. But NORAD is more than just a defense agency for North America — it's a symbol that exemplifies the profound historic bond our two nations share.





As trading partners, our economies are deeply intertwined. Our industries rely on each other, and create well-paying jobs and new business opportunities in both countries. Every day, almost \$2 billion in trade and 400,000 people cross our shared border. Our bilateral trade is both fair and balanced and this is really important to underline as there appears to be some confusion on this point. We buy more U.S. goods than China, Japan and the United Kingdom combined!

The Canada-U.S. border represents the largest trading relationship and the most enduring security partnership in the world. This joint approach has allowed us to bring forward a unified front internationally while advancing the prosperity of our citizens in North America. Ensuring we do not take this for granted is paramount to continuing to secure the stability of our continent and to share our values and everything we stand for with the world.

**Throughout history, various industries have benefited enormously from the Canadian/U.S. trade partnership. What are some of the industries that have the most to gain from a continued trade alliance, and consequently, would lose the most if the relationship between these nations suffered?**

I think it's fair to say that countless industries have benefited from the Canada-U.S. trade partnership, especially since the signing of NAFTA. We share a trillion dollar trade and investment relationship, supporting roughly 9 million jobs across the United States. This trillion dollar trade relationship represents a threefold increase since 1993 — the year before NAFTA came into force.

And consider this: we don't just sell things to each other — we make things together. Nearly half of all U.S. imports from Canada are raw materials and intermediate goods used by American manufacturers to produce goods across all industries — transportation, metals, machinery, agriculture and energy. Many of these goods are often exported back to Canada, either to sell to Canadians as a final product, or to continue down the assembly line for final production, illustrating our cross-border supply chains and integrated economies. Without a doubt, we have built the most successful joint production platform the world has ever seen.

**The Trump administration imposed tariffs on a variety of Canadian goods, under the guise of national security. In response, Sen. Toomey, R-PA, has co-authored legislation that would require Congressional approval of such a move. What are your thoughts on this legislation and any other legislation that would require a system of checks and balances for purposes of levying tariffs?**

The way Congress legislates and oversees internal processes is a topic for our American counterparts to sort out.

I will say, however, that since the U.S. tariffs on Canadian steel and aluminum were announced, I have been very vocal in expressing Canada's concerns with the Administration's decision. The idea that Canada could be considered a national security threat to the United States is inconceivable and disconcerting.

In my conversations, I remind our American partners about the facts: the U.S. has a \$2 billion surplus in steel trade with Canada. Our steel and aluminum industries are highly integrated and support critical North American manufacturing supply chains that are essential to our shared economic prosperity. We sell and buy different types of steel to and from each other. These tariffs threaten to dismantle a very efficient system that has allowed us to better compete globally.

**Recently, the PA Chamber and the Ontario Chamber of Commerce issued a joint statement calling for the renewal of NAFTA to strengthen cross-border trade. How critical is NAFTA to ensuring that both Pennsylvania and Canada can continue on a path to economic prosperity?**

The U.S. Chamber of Commerce estimates that 500,000 jobs in the Keystone State depend on NAFTA. The Chamber also reports that nearly two-fifths of Pennsylvania exports head to customers in Canada and Mexico, generating more than \$13 billion in revenue. And a vast majority of Pennsylvania's aluminum (77 percent), motor vehicle (71 percent) and glass product (68 percent) exports go to Canada and Mexico. I think those numbers alone clearly illustrate what NAFTA has allowed for small and medium-size businesses in Pennsylvania; but they also represent how Pennsylvania jobs and businesses could suffer if NAFTA is not renewed.

It's also important to reiterate that we don't just sell things to each other; we make things together for the global market. Under NAFTA, we've been able to build the biggest economic zone in the world — a U.S. \$21 trillion dollar regional market of 481 million consumers. Put another way: with only 7 percent of the world's population, Canada, the U.S. and Mexico generate 28 percent of the world's GDP. That is a remarkable and unparalleled ratio!

NAFTA has generated significant business and substantial new opportunities for Americans, Canadians and Mexicans.

**The PA Chamber has heard anecdotally that immigrants who come to the U.S. to be educated, work and raise their families are having difficulty remaining in the U.S. due to the nation's outdated immigration laws, and are instead heading to Canada for new opportunities. What are your thoughts on how the U.S. can improve our immigration laws to ensure that we can attract and retain talent from around the world?**

When it comes to U.S. immigration processes, again, that's really a question for our American counterparts to answer.

In Canada, I can tell you that immigration remains a key economic driver that supports job growth and strengthens our national identity. Prime Minister Trudeau has said it time and time again — diversity is our

*continued on page 28*



## North American Neighbors

*continued from page 27*

strength. We look to immigrants for their innovative perspectives, entrepreneurial spirit, global experience and unique skill sets. And to keep Canada competitive on the global stage, we have implemented a multiyear plan and economic programs to attract top talent to help grow Canada's economy and meet labour shortages, which are a result of our aging population.

**Your team has made several outreach visits to Pennsylvania this year alone. Can you provide an overview on the stops you've made, conversations you've had and progress you've reached with local government and business leaders throughout the Commonwealth?**

Since I arrived in the United States in 2016, my team and I have crisscrossed the Commonwealth, from the traditional hubs of Philadelphia and

Pittsburgh to Harrisburg, Allentown, State College, Williamsport and York. While all of these places each have their distinct character, our message has been consistent: Canada and the Keystone State enjoy a truly special relationship, a shared historical and cultural heritage, and a common vision of prosperity for our people.

I have been fortunate to have great conversations with leaders across Pennsylvania — I have met with Governor Wolf, state legislators, labor organizations, community leaders, academics and business owners. One of the key points I make in nearly every conversation is that Canada's relationship with Pennsylvania is a strong example of the close links between people and our businesses: trade between Canada and Pennsylvania supports more than 346,000 jobs in Pennsylvania, and our fair and balanced trade continues to serve as an engine for growth on both sides of the border — particularly for the middle class.

**Some of the visits you've made over the last few years include visits to Harrisburg, where you've sat down with PA Chamber President Gene Barr for roundtable discussions where several of our members have been present. How valuable do you find these discussions to be, and how do you value your office's relationship with our chamber of commerce, and with chambers of commerce in other states?**

My team and I cover a large territory that has a population nearly the size of all of Canada — but I have to say that my visits to Harrisburg are a highlight of my time in the United States. Discussions with Gene have been engaging, thoughtful and pertinent, and I very much value the opportunity to connect with the Chamber and its members. I find that the Chamber is an active voice, including on trade and business development on both sides of the border. The Chamber also serves as a link to businesses, both large and small, and to Pennsylvania communities and families. The Pennsylvania Chamber, and regional chambers throughout the Commonwealth and beyond, have their finger on the pulse of the business community and issues of importance to them. In that regard, we value our relationship with the PA Chamber and other like-minded organizations to guide our thinking as we strive to make our already strong relationship more fruitful and productive. ■

■ **Phyllis Yaffe** is Consul General of Canada in New York.



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# Business EXPERTise



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## HR



**Valerie Faeth**  
Cohen & Grigsby

### What are the keys to an effective workplace investigation?

Over the past year, allegations of unlawful harassment have dominated headlines. As a result, many employers have revised their anti-harassment policies. However, a well drafted policy is meaningless unless complaints of harassment are promptly investigated and appropriate corrective action is taken.

Below are some tips for conducting workplace investigations:

#### 1. Promptly begin the investigation.

A harassment investigation should begin as soon as reasonably possible after the alleged harassment is reported. While no specific rule for “promptness” exists, courts have held that an employer should take action within days of receiving notice of the alleged issue. The Third Circuit Court of Appeals, for example, held that an employer’s response was sufficient when the employer began an investigation the same day the complaint was received. Conversely, the Southern District of New York held that an investigation that was initiated four weeks after a harassment complaint was received was not sufficiently “prompt”.

*continued on page 32*

## Communications/ Marketing



**Josh Ciotti**  
JPL

### How should my business prepare for the rise of voice search?

You’ve likely seen ads for Amazon Echo and Google Home. You’ve probably even used voice assistance by asking Siri for directions, or using Cortana to schedule a reminder.

Voice search is making headlines and changing behaviors. So far, the news has centered on business-to-consumer applications. You can have Alexa buy groceries, or recite random facts. But don’t let the hype distract you. Voice search spells big potential for businesses of all sizes and specialties.

A growing number of people use voice search to find stores, restaurants and service providers. ComScore estimates that these voice inquiries will account for 50 percent of all searches by 2020. Appearing in search results is crucial for small, location-based businesses. But the value of voice search doesn’t end with the B2C crowd. It has huge potential for B2B, too. Some companies already use voice assistance tools to track inventory and sales data. These tools provide answers, on demand, without the need for a screen or a series of clicks. And multiple queries per day add up to a lot of saved time.

*continued on page 33*

## Energy/ Environmental



**Gavin Biebuyck**  
Liberty Environmental

### What are the latest updates to federal air quality regulations, and what impact does this have on PA?

The change in federal administration in 2017 has had a major impact on the federal regulatory climate. The U.S. Environmental Protection Agency’s “deregulatory agenda” has resulted in the delay or reconsideration of many federal environmental regulations. Of particular interest to industry are the air quality regulations under reconsideration, which include greenhouse gas rules, New Source Review air permitting for major sources and implementation of the 2015 ozone ambient air quality standard. There has been a significant uptick in state and environmental organizations’ opposition to EPA’s agenda, resulting in multiple lawsuits and several court decisions requiring EPA to implement, rather than reconsider, some of these rules.

Perhaps the most dramatic turnaround has occurred with the Trump administration’s roll-back of greenhouse gas air regulations. First, former EPA Administrator Scott Pruitt announced in April 2017 that the EPA would review greenhouse gas standards for power

*continued on page 31*

Although some of the experts are attorneys, nothing in this article should be construed as legal advice or as pertaining to specific factual situations.



**Gavin Biebuyck**  
*continued from page 30*

plants and for the oil and gas sectors in accordance with President Trump's Executive Order on Energy Independence. Then, in October 2017, EPA proposed repealing the Clean Power Plan which was the signature climate change regulation of the Obama administration. In August 2018, EPA proposed the Affordable Clean Energy Rule to replace the Clean Power Plan, doing away with state greenhouse gas emissions budgets and the cap and trade approach that was the cornerstone of the Obama plan. While the ACE Rule has been criticized by environmentalists and some states as attempting to extend a lifeline to coal power plants, it also represents a back to basics approach to Clean Air Act air pollution regulation by proposing a suite of power plant energy efficiency standards and by allowing states to define which of these standards will apply.

In March 2018, the administration announced a reconsideration of the Corporate Average Fuel Economy standards, culminating in EPA and the U.S. Department of Transportation proposing new standards to "correct" the previous CAFE standards as the "Safer Affordable Fuel-Efficient" Rule in August 2018. While the SAFE and ACE Rules represent a rollback of greenhouse gas regulations, they illustrate the priority that the Trump administration has placed on easing the regulatory burden on industry and on emphasizing "affordability" with regard to regulatory cost-benefit analyses. For example, EPA estimates that the ACE Rule will reduce the compliance burden by \$400 million compared to the CPP Rule. However, the EPA's impact analysis also concludes that the rule could result in up to 1,400 premature deaths per year, compared to the expected air pollution reductions under the CPP Rule.

EPA has also prioritized reform of the NSR federal pre-construction air permit rules and has issued several guidance memos they claim will improve program effectiveness and reduce compliance burdens. These guidance memos address complex NSR applicability topics, including actual-to-projected emissions, project emissions netting and "once in, always in," but generally attempt to streamline and simplify the complicated NSR permit program. Pennsylvania has its own complex NSR Rule that applies to "nonattainment" pollutants (e.g., VOC, NOx, and PM2.5). Therefore, the EPA's efforts to reform NSR at the federal level will not necessarily ease the compliance burden for Pennsylvania industries.



## Making the Most of Your Membership

### Help Us Start the Conversation HERE.

**Workforce.** The top of list issue for businesses across the Commonwealth. In our recently released [28th Annual Economic Survey](#), employers — for the first time ever — cited difficulty finding qualified and skilled candidates to fill open positions as the number one issue that keeps them up at night.

The Pennsylvania Chamber Educational Foundation is taking on these workforce challenges and helping address the needs of the business community in Pennsylvania by creating "*Start the Conversation HERE*" — a grassroots campaign with resources aimed at closing the jobs skills gap in our state.

Here's how you can get involved:

- Use the ***Start the Conversation HERE* website**, featuring innovative companies that are successfully filling their current and future workforce needs; student success stories; a listing of in-demand skilled trade jobs in Pennsylvania; and available resources at the state and local level.
- **Join us** for a series of informative workforce webinars that spotlight successful companies, educators and other resources that offer practical solutions in finding the talent businesses want and need.
- **Donate to work ethic scholarships.** Through tax deductible donations from Pennsylvania's business community, the PA Chamber Educational Foundation is providing work ethic scholarships specifically for Pennsylvania students through our partnership with the mikeroweWORKS Foundation's Work Ethic Scholarship program. Not only do your scholarship donations help students realize their goal of gaining a skilled trade, but your company also receives recognition for its generous support.

With the support of the Pennsylvania business community, we can "Start The Conversation HERE" and together increase public awareness around the growing demand for skilled trade workers in the Commonwealth; influence policymakers to strengthen existing workforce development programs to make sure that the Commonwealth is fully developing and harnessing the talent, skills and capacities of its citizens; and directly providing businesses and students with resources that will help narrow the skills gap in Pennsylvania.

If your company is concerned about finding qualified and skilled candidates and wants to help guide students to a future where jobs exist, contact Lori Renne, [LRenne@pachamber.org](mailto:LRenne@pachamber.org) and help us to start the conversation HERE. ■

The EPA's approach to implementing the 2015 ozone standard is another example of the Trump administration clashing with state regulators. After announcing a one year delay in implementing the ozone standard, states (including Pennsylvania) sued, causing the EPA to withdraw the delay proposal. The EPA then announced which counties would be designated "attainment" with the standard a month late in November 2017, but delayed the announcement

of "nonattainment" areas until March 2018. Industry should expect such regulatory turbulence to continue as states like Pennsylvania contest many federal deregulatory efforts. ■

■ **Gavin Biebuyck** is principal at *Liberty Environmental*.

## **2. Select an investigator.**

Most employers task their in-house human resources professionals with investigating harassment complaints because of their familiarity with the employer's personnel and policies. However, when the accused is an executive, the nature of the complaint is very serious, and/or there is risk of legal liability, consideration should be given to hiring outside counsel to conduct the investigation. Regardless of whom the employer selects to conduct the investigation, the investigator should be impartial, objective and fair.

## **3. Interview the complainant.**

Every investigation should begin with an interview of the complainant even if the complainant has already provided a written statement. In addition, an interactive interview will enable the interviewer to ask the complainant questions that are not addressed in the written statement.

During the interview, the complainant should be asked who, what, when, where and how questions. The complainant should also be asked to provide the investigator with the names of any witnesses to the harassment or other people with relevant information. In addition, the complainant should also be asked to provide the investigator with corroborating evidence such as notes, text messages, etc. Finally, the complainant should be advised that he/she will not be retaliated against for providing truthful information.

All of the above information should be included in a written report signed and dated by the complainant.

## **4. Determine whether interim measures should be taken.**

If the harassment allegations, if proven, would result in the termination of the accused's employment or the accused is the complainant's supervisor or an employee with whom the complainant frequently works, the

investigator should consider whether interim measures should be taken to protect the complainant before the investigation is finalized. Interim measures may include placing the accused on a leave of absence or moving the accused to another shift or department. However, employers should avoid taking any actions that may appear to be retaliatory such as placing the complainant on leave, even if paid, or reassigning the complainant.

## **5. Interview any and all witnesses.**

The investigator should interview all witnesses identified by the complainant in order to fulfill legal obligations. At the beginning of each interview, the investigator should provide each witness with a brief explanation regarding the purpose of the investigation and should ask each witness who, what, when, where and how questions. The investigator should also inform each witness that their statements are not confidential but will only be shared with others on a need-to-know basis. All of this information should be included in a written report signed and dated by each witness.

After the complainant and witnesses identified by the complainant have been interviewed, the accused should be interviewed. During the interview, the accused should be advised that a complaint has been brought against him/her; that the employer has a legal obligation to investigate the complaint; and that the accused should not retaliate against the complainant. In addition to asking the accused to respond to the allegations, the accused should be asked if there is any reason the complainant would lie; whether any complaint of harassment has ever been made against him/her in the past; and whether he/she has ever been disciplined for harassment in the past. The accused should also be asked if there are any other persons with relevant information and any relevant notes, physical evidence or other documentation to corroborate the accused's statements. This information should be incorporated into a written report signed and dated by the accused just like all of the other interviews.

## **6. Document the investigation.**

The investigator should document the entire investigation process as well as any remedial or corrective actions that were taken and the reasons. This step is critical because the employer may be required to demonstrate when and how it investigated the employee's complaint. The investigator should presume that the documentation will be reviewed by an administrative agency or a jury at trial.

## **7. Take prompt remedial action.**

After all of the witnesses as well as the accused have been interviewed and any credibility issues have been resolved, the employer should promptly determine whether any unlawful harassment and/or retaliation has occurred. If the employer concludes that the conduct being investigated did occur, they should take reasonable and appropriate disciplinary action against the accused — including termination. However, the employer should make certain that they have treated other employees accused of similar conduct in the same fashion, since the employer may have to prove in future litigation that they acted reasonably and fairly.

## **8. Communicate the outcome of the investigation.**

After a determination has been made, it should be communicated to the complainant and the accused in separate face-to-face meetings. If the accused is disciplined in some way, the complainant should be advised that appropriate remedial measures were taken without specifying the action. If the accused remains employed, the complainant should also be encouraged to report any further instances of harassment or retaliation. Likewise, the investigator should remind the accused of the company's EEO and anti-harassment policies and that he/she must not retaliate against the complainant or anyone who cooperated in the investigation. ■

■ **Valerie Faeth** is director in the Employment Litigation, Labor and Employment and Workers' Compensation Practice Groups at Cohen & Grigsby.



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## Josh Ciotti

*continued from page 30*

These savings can carry over to clients. Picture one of your senior reps, someone with a long tenure and deep company knowledge. Now imagine being able to place this rep onsite with every one of your clients. They're available full-time to answer questions. Each response is personalized to the client, geo-targeted and perfectly on brand.

Voice search can make this a reality. Businesses are already using voice assistants to answer client questions and share information. Retailers are using voice search to facilitate order picking and other warehouse logistics. Some university hospitals are testing voice assistants to capture clinician notes and guide nurses through complex medical procedures. In 10 years, patients might receive post-op instructions and medication dosages from a voice assistant by their bedside.

If you think a voice search strategy might be right for your business, pursue it now to avoid falling behind the competition. First, make sure you've claimed your location on Google Maps. Also, confirm that your website contains LocalBusiness schema. This ensures robots can read and understand your location, phone number, hours of operation and other important details. From there, you can start building website content that ranks for broader voice search queries. Free tools such as AnswerThePublic.com can help you zero in on questions common to your industry.

Want to leverage voice search for more than basic search engine optimization? First, look at how much time your team spends tracking down data. How long do they spend answering questions for prospects and clients? What topics come up again and again? Identify trends; then set a goal.

Once you have all of this information, you'll be able to create a voice search solution that aligns with your audience and goals. This might require a team of strategists, developers and content creators. It could take the form of a smart phone app. It might be a set of interactions that clients can download to voice assistant tools. It might be web content that ranks for targeted voice search queries.

The adoption rates for voice search are skyrocketing. Nearly one in five adults has access to a smart speaker. Juniper Research predicts that this will rise to more than half of all U.S. households by 2022. It's only a matter of time before this new technology becomes business table stakes. By planning now, you'll help your business stay ahead of the curve. ■

■ **Josh Ciotti** is a digital marketing strategist at JPL.

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## Advertisers Index

Allied Universal .....	p. 13
APPI Energy .....	p. 72
Babst Calland .....	p. 35
Baker Tilly .....	p. 37
Cohen & Grigsby, P.C. ....	p. 76
Comcast NBC Universal .....	p. 2
EARTHRES .....	p. 66
Fulton Financial Corporation .....	p. 22
Geisinger Health System .....	p. 4
Glatfelter Insurance Group .....	p. 28
GZA GeoEnvironmental, Inc. ....	p. 24
Harrisburg University .....	p. 67
Highmark .....	p. 57
HR Resolutions .....	p. 23
Kessel Construction, Inc. ....	p. 51
Liberty Environmental .....	p. 25
PSECU .....	p. 47
RKL .....	p. 41
RT Environmental Services .....	p. 19
UGI Utilities .....	p. 29
UPMC Pinnacle .....	p. 75

# Up Close With...

## Mark P. Lauriello, PE president and CEO RETTEW



Mark Lauriello is president and CEO of RETTEW, a nationally ranked engineering firm, where he also serves on the Board of Directors. He joined the firm in 1989 and since becoming president in 2004, has led RETTEW to many significant milestones, including nearly doubling the number of employees and being named by *Engineering News-Record* magazine as the fastest-growing engineering design firm in the United States. On multiple occasions under his leadership, RETTEW has also been named among the Best Places to Work in Pennsylvania.

A Professional Engineer with more than 30 years of experience, Mark focuses on delivering quality service and value through engineering and planning projects throughout the mid-Atlantic region. Since most of his professional career has been with RETTEW, he has served the company and its clients as project manager, director, vice president and now president and CEO. As such, Mark has been instrumental in RETTEW's expansion into various service offerings and geographic growth.

He has been a frequent speaker and served on various panels for engineering, economic development and related topics associated with the A/E/C industry. Mark serves on the Board of Directors of the Pennsylvania Chamber of Business and Industry and is a member of the American Council of Engineering Companies of Pennsylvania, the American Society of Civil Engineers and the U.S. Congressman Lloyd K. Smucker Transportation Advisory Committee.

More locally, he serves on the Lancaster Chamber of Commerce and Industry's Community Prosperity Hub Advisory Council; the Transportation Improvement Program Update Subcommittee for Lancaster County; and the Finance Corporation Board of Directors and Loan Committee for the Economic Development Company of Lancaster County. He also serves on the Board of Directors for the RETTEW Charitable Foundation, which provides grant funding to organizations that RETTEW's employees are personally involved in - supporting children and youth, community and environment and family stability. Mark earned a bachelor's degree in Civil Engineering from the University of Delaware, where he now serves as an External Advisory Council Member for the Department of Civil and Environmental Engineering. He grew up in Central Pennsylvania and resides with his wife and daughter in Lancaster County. He is an avid sports fan and enjoys spending time with family, reading, traveling, swimming and other outdoor activities.

### **How long have you been with RETTEW?**

I've been with RETTEW for 29 years, starting in September 1989. I started as a project manager, using my experience as a civil engineer in Northern Virginia to help support RETTEW's broad land development and municipal engineering practice.

### **How did your predecessor help pave the way to grow the company to what it is today?**

George Rettew, Jr., known as Hank, led the company for many years and established the foundation of RETTEW's culture and core values. I took over as president in 2004 when the company was poised to grow exponentially. Because of the foundation that Hank built, we were able to not only diversify

our markets and add to our service offerings, but also maintain the core purpose and identity we have as a firm.

### **How has your prior career experience prepared you for the role you hold today?**

I began my career at an engineering firm in Northern Virginia, with a company that at that time was similar to RETTEW. That region was booming with land development and municipal work, and I received a broad base of engineering experience working on both development and municipal engineering projects. That very technical experience really gave me a strong engineering background, which has served me well throughout my career.

I came to RETTEW as a project manager and advanced through the ranks from there. I was able to manage projects and people in different service areas (departments), and I gained even more experience in engineering and consulting. As I moved into a service area director role (department head), then to a vice president, and then eventually to president and CEO, I really paid attention to the business aspects of our company. I was exposed much more to the business side of the firm as my roles expanded, and these responsibilities prepared me to take the helm in 2004.

### **What advice do you offer to business leaders who are working to take their companies to the next level?**

"Leadership is the capacity and will to rally men and women to a common purpose and the



character that inspires confidence.” Field Marshal Bernard Montgomery.

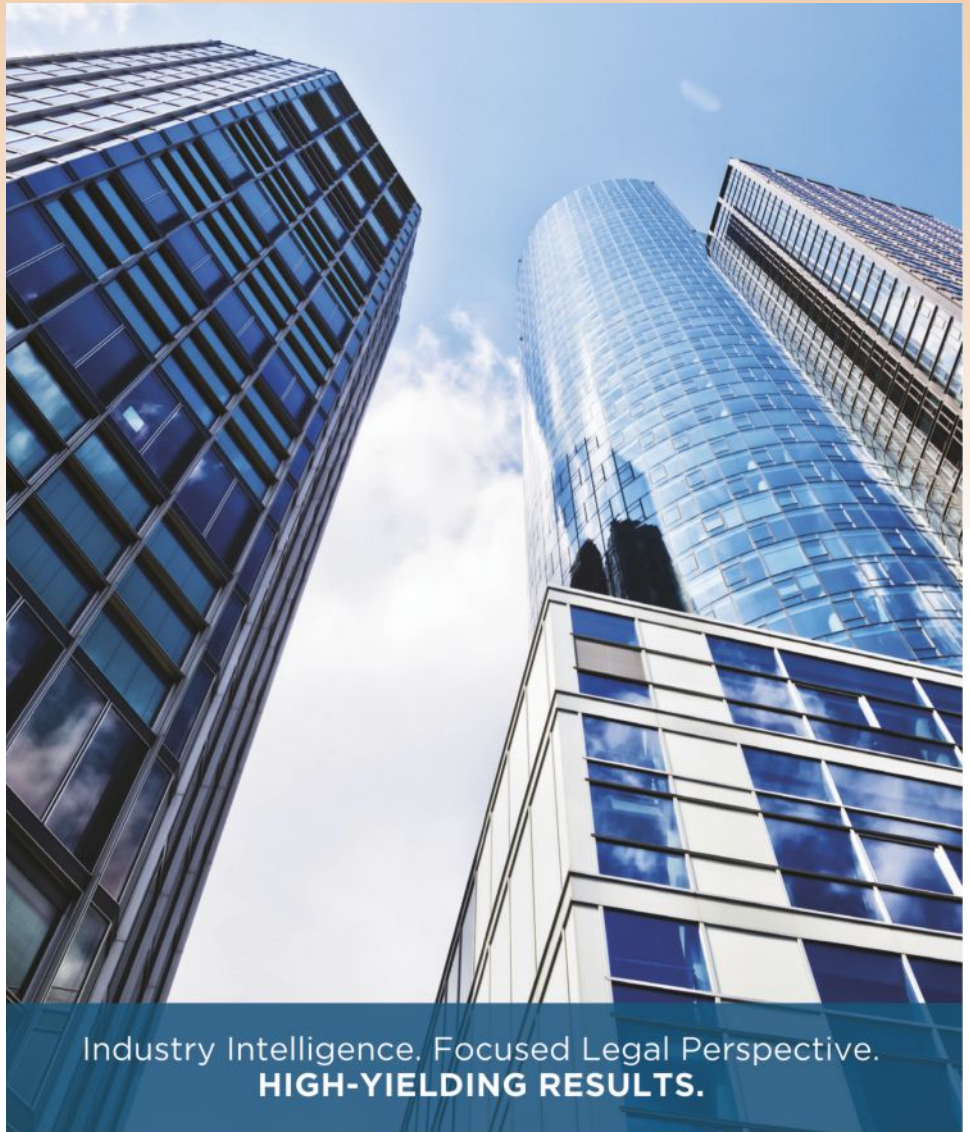
The first piece of advice I offer is to hire great people. A business achieves success only by hiring talented people, building great teams and letting them work toward common goals. After that, work on developing a vision, a goal(s), and a purpose. And then, work with your people to develop a plan to achieve the goals and reach the vision. In many respects, get out of the way of your great employees – let them apply their talents and do the work they’re good at. Focus your time on inspiring them and motivating them to achieve the company’s goals.

#### **How does working with the PA Chamber help RETTEW harness benefits and address challenges of operating in Pennsylvania?**

The PA Chamber is a fantastic resource for legislative and regulatory issues and offers great opportunities to connect with other business leaders from across the Commonwealth. There are many opportunities to connect with leaders from every industry, strengthen existing relationships and build new relationships. The cross-section of business leaders that are active in the Chamber is exceptional.

#### **How important is the role of philanthropy in advancing your corporate mission?**

At RETTEW, philanthropy is part of our DNA. We do a lot and give a lot as a company, especially for a company of our size. There’s an extensive list of nonprofits and community organizations we support on an ongoing basis, from sponsorships to volunteer work to donations. We also have a program to support employees’ own philanthropic passions through the RETTEW Charitable Foundation. If an employee is investing their own time and support in a nonprofit, they can apply to the RETTEW Charitable Foundation for funds to also support that organization. In recent years, our commitment to volunteering and supporting our communities has continually grown. ■



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# Achieving Success through Defined Growth Strategies

By Jeffrey J. Vrabel

Every business should consider implementing and executing growth strategies as part of its future plans. Companies must grow to build value and attract continued interest from stakeholders, including owners,

potential investors, customers, suppliers and employees in order to survive and thrive. The combination of global competition, spending and investment, and economic and geopolitical considerations are key parts of the economic landscape. Executives are challenged to drive growth while considering a multitude of factors that result in a dynamic environment for businesses to operate within.

The pace of Mergers and Acquisitions activity has continued to be strong through 2018. Companies are taking advantage of a healthy economy and the availability of capital to pursue M&A as part of their growth strategy. They are also looking strategically at M&A in tandem with organic growth opportunities available to them.

There are numerous opportunities to drive growth. Growth can be achieved through new customers, new products and new geographies, especially in global markets. Organizations are finding that markets are more open, customers are more accessible and innovation is more important. Advancements in enterprise technology — including mobile, social and analytics solutions — are providing a revolutionary new platform for enabling growth strategies and connecting with customers. Executives and leaders across all industries must now be much more sophisticated in developing their growth strategies to leverage these capabilities and execute them.

Companies need to find, win and retain more business in today's environment. Practical approaches and capabilities that focus on addressing common growth themes and opportunities facing most enterprises today include the following:

## Growth strategy assessment and alignment

Companies need to understand the right strategy to achieve their growth objectives while considering the alignment of these strategies with the maturity of their tactics. They must recognize the highest-value focus areas to achieve growth objectives. Companies can then assess how strategies support each other and pursue ways in which growth strategies can build on one another. Finally, they can scan their capabilities across leading practices to show opportunities and provide high-potential targets and focus.



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## Product and service innovation

Leading-edge innovation practices to develop products and services that will be successful in the market and using the right innovation strategy that fits with the stage of the product life cycle are also important. Various methods of Voice of the Customer research help to understand the often unarticulated needs that can lead to breakthrough product and service offerings. Companies can follow a highly iterative idea generation and prototyping methodology that quickly develops and refines concepts, leading to a higher likelihood of meeting customer needs and achieving market success.

## Market focus and alignment

Identifying new markets for growth and defining the optimal go-to-market strategy are key tasks. Broad market assessments can help identify new markets where your products or services can be successful, including new vertical markets and global geographies. Defining and executing the go-to-market strategies that will be necessary to gain penetration in these markets is an important process.

## Customer experience (CX)

High quality business-to-consumer experiences have changed customers' expectations regarding how they interact with companies that provide products and services. At the same time, technological advancements have vastly improved the ability to deliver consistent, yet customized experiences and information to current and potential customers. Companies can develop comprehensive CX strategies and improvement roadmaps with the goals of increased customer conversion, satisfaction and loyalty.

## Your customer journey map

Mapping a customer's journey provides a holistic view of all customer interactions, from a customer's perspective, and enables organizations to support growth-oriented decision making throughout the growth process. A bad customer experience in today's viral society can negatively affect your organization's ability to grow and see a return on value. Avoid being the next casualty of poor customer service and get strategic about your customer experience. Mapping the CX journey includes:

- Defining the current state of your CX

- Designing and testing new customer experiences
- Developing a future state CX road map

## Sales effectiveness

For many organizations, their direct field sales force and inside sales force are their most important channels. Looking at the characteristics of top performers helps to identify your true sales performance and specific opportunities to maximize results. Then you can leverage modern processes, sales automation technologies and analytics to measure and sustain performance.

## Marketing effectiveness

Companies today are placing increased accountability on the marketing function to deliver tangible return on marketing investments. Marketing teams and agencies need to evaluate marketing strategy, execution and alignment with sales. They need to utilize support tools and measurement systems to develop improvement plans that aim for better results and stronger measurability of marketing's return on investment.

## Sales force and market analytics

Driving customer and market insight and measuring the performance results of your organization require informative data and analytical tools to support effective decision making. Modern capabilities in data management and analytics, combined with ever-increasing amounts of data, are unlocking new pathways to customer and market visibility. Companies need to define customer, sales and marketing data needs and associated information strategies that help them implement practical solutions.

The summary above provides several key areas to consider as companies execute their growth strategies and explore the multiple ways to improve opportunities that achieve positive results. Organic growth and growth through M&A can provide companies with measurable results for key stakeholders and a strategic advantage over their competition. ■

■ **Jeffrey J. Vrabel, CPA**, is partner with Baker Tilly Virchow Krause, LLP







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# BIGGER, **B** STRONGER:

By Lindsay Andrews

**J**

ust over a year ago, Amazon — the Seattle-based tech company that emerged from humble beginnings in 1995 as an online book purveyor to a full-blown conglomerate that has revolutionized the way shopping (and shipping) is done in this country — had a big announcement. They were going to be opening up a second headquarters, and with it, up to \$5 billion in economic impact and 50,000 jobs — but they were leaving it up to cities and towns across North America to woo them there. Of course, regions large and small nationwide jumped at the chance to entice the mega-corp, offering financial incentives (some of which are still cloaked in secrecy) and preparing in-depth presentations on why they were the best choice for what was loosely referred to as “HQ2.” Harrisburg, PA was among the hopeful candidates, marketing the region with a website, [TheLifeYouWantPA.com](http://TheLifeYouWantPA.com).

While Amazon publicly acknowledged that Harrisburg put forth a sweet offer, southcentral Pennsylvania ultimately didn’t make the cut. However, the Keystone State’s two largest cities — Philadelphia and Pittsburgh — did survive to the next round of candidates, and as of this writing, they’re still in the running, with a final decision expected by the end of the year.

Why is Amazon considering these Commonwealth cities as the potential choice for HQ2? As the saying goes, “location, location, location!” Within a day’s drive of 60 percent of the country’s population, Pennsylvania is one of the most uniquely situated states in the nation. Thousands of miles of interstate and railway allows for the quick delivery of goods and services in and outside of the Commonwealth. In addition, each region of the state offers opportunities year-round to explore history, art, nature and adventure. The cost of living is extremely competitive with surrounding states, real estate is affordable and the Keystone State is home to among the nation’s best universities and hospitals. Throughout our more than 100 year history, it’s been the PA Chamber’s mission to create a business climate that aligns with these inviting attributes, so that employers feel welcomed to locate, operate and create jobs here. And while we’ve made much progress in achieving this goal through our work with lawmakers, there remain several reasons why businesses continue to pass up the Commonwealth in favor of other states. The PA Chamber is not only acutely aware of these reasons, but actively working to address them through public policies that would remove barriers to private sector growth: onerous regulation, an unbalanced legal climate, rising costs within the state’s workers’ compensation and unemployment compensation systems. But since the days of our organization’s founding, the issue that stands out the most in terms of what keeps businesses out of Pennsylvania is our uncompetitive tax structure.



# BETTER,

## Tax Reforms the Ingredient to Drive PA's Economy Forward

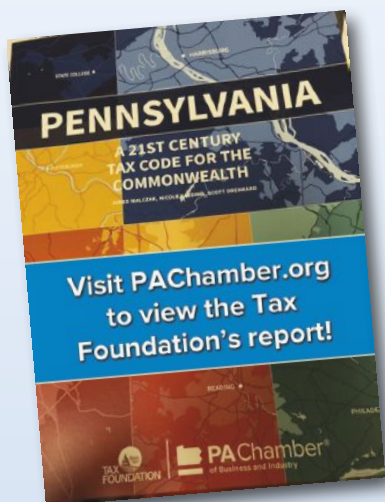
### The Case for Tax Reform

In late 2017, the federal Tax Cuts & Jobs Act that was signed into law by President Donald Trump made the first significant changes to the nation's Tax Code since the mid-1980's. Most notably, the law reduced the United States' Corporate Income Tax rate from an extremely uncompetitive 35 percent down to 21 percent. It also moved the U.S. from a worldwide to a territorial tax system, so that businesses are only taxed on income earned within the country's borders. The positive effect of these long overdue changes on the private sector was realized almost overnight. Within a very short period of time, businesses large and small, spanning various industries announced plans to re-invest their savings from the reforms back into their facilities and their employees, were adjusting their plans for future growth and hiring new workers. Here in Pennsylvania, 2018 was marked by month after month of higher than expected revenue collections which factored heavily into lawmakers passing an on-time budget with no new tax increases this year.

As the positive ripple effects of the law are still being felt nationwide, the PA Chamber felt it an appropriate time to take a look at where Pennsylvania might be falling short and make the case for duplicating the federal government's success at the state level. To that end, we tapped the Tax Foundation — a national tax policy think-tank out of Washington, D.C., to perform a grant-funded study this year. The culmination of their efforts was a report, "Pennsylvania: A 21st Century Tax Code for the Commonwealth," that points out the weaknesses in our state's tax structure. It also provides three differing reform proposals, varying in degrees of aggressiveness, which would create a tax climate conducive to meeting the demands of the modern economy.

Chief among the Tax Foundation's policy proposals is one the PA Chamber has pushed for years — the reduction of our Corporate Net Income Tax. Just as one of the primary reforms included in the federal tax law was the steep

*continued on page 40*



### Over the next decade, the Tax Cuts & Jobs Act is expected to:

- increase long-run GDP by 1.7 percent
- lead to higher wages
- result in hundreds of thousands of full-time equivalent jobs
- generate \$600 billion in permanent revenue

Source: Tax Foundation



## Bigger, Better, Stronger

*continued from page 39*

reduction of the corporate tax at the national level, so too would a reduction in Pennsylvania's 9.99 percent CNI — which is among the highest in the world — remove a major red flag for would-be investors to the state. Significantly reducing this rate would be a big step toward bringing the Commonwealth in line with some of the same states we regularly compete with for jobs and capital. The report also offers a number of other recommendations regarding the collection of state and personal income taxes in Pennsylvania that would help boost employer confidence — resulting in more jobs, more investment and more opportunity for everyone.

### I've Got a Feeling ...

In terms of what helps to grow the economy, nothing is really more important than how employers feel about where it's headed. Their perceived impression of how state and local governments treat the private sector fuels decisions on where and how much to invest, and how many people they want to hire. And in excellent news for the Commonwealth, they're feeling better than ever right now about doing business here in the Keystone State. This is according to the results of the PA Chamber's 28th Annual Economic Survey, which was conducted in August by Susquehanna Polling & Research, a Harrisburg-based public opinion polling company, and released earlier this fall.

The great news — which again, can largely be attributed to the sweeping tax reforms enacted at the federal level, is that the 40 percent of the employers surveyed reported that the economy has gotten better during the last 12 months — a sharp jump from just 25 percent one year ago and officially a record high in the nearly 30 years that the PA Chamber has issued this survey. With this newfound optimism come reports of new highs in sales growth, hiring and

**SP&R surveyed 650 employers in companies of all sizes crossing all industry sectors in Pennsylvania. About ½ of those surveyed are PA Chamber members.**

investments in new technology and equipment — all at levels not seen in more than 10 years. Despite this surge of positivity, there are still several issues that continue to keep employers up at night. For the first time in the history of the survey, business leaders listed difficulties finding skilled and qualified employees to fill open positions as the biggest problem facing their companies. The PA Chamber is actively working to tackle this problem, as we made closing the jobs skills gap a cornerstone of our mission in 2016, when we entered a second century as the Statewide Voice of Business™.

## A Series of Firsts

In the PA Chamber's 28th Annual Economy Survey, employers reported:

- A record high saying the economy has gotten better during the last 12 months (40 percent)
- A record low saying the economy is the "most important issue" affecting them (4 percent)
- The jobs skills gap as the No. 1 issue affecting their business
- 10-year highs in sales growth, hiring and investments in new technology and equipment
- 10-year highs in prospects for further sales growth, hiring and investments

Through our "Start the Conversation HERE" initiative, our organization works to educate Pennsylvania students, their families, educators and workers about family-sustaining jobs in the skilled trades and other employment trends in the Commonwealth. The program, part of the Pennsylvania Chamber's Education Foundation, is also in its second year of teaming with the mikeroweWORKS Foundation to increase public awareness around the growing demand for workers in the skilled trades by awarding scholarships to Pennsylvania students through the mikeroweWORKS Work Ethic Scholarship Program. Through donations from the Pennsylvania business community, the PA Chamber Educational Foundation has helped to provide work ethic scholarships specifically for Pennsylvania students with a passion for pursuing a career in the skilled trades.

In terms of what else is bothering Pennsylvania's business owners in 2018, the survey also reported that when asked about the issues that should top business advocates and lawmakers' "to-do" lists, employers overwhelmingly cited controlling healthcare

costs (at 66 percent) and cutting business taxes (at 50 percent) as the top two priorities.

These responses provide even more evidence that the Commonwealth must adopt the same style of tax reforms that were enacted at the federal level if we want to take true advantage of the opportunities made possible through the now-booming economy. As the PA Chamber works with lawmakers throughout the remainder of this year and into the new session, we are sharply focused on efforts to lower the CNI, eliminate the cap on Net Operating Losses, and cut through more of the red tape that has historically held employers back from making the investments needed to really kick-start the economy again.

We're also working to combat rising healthcare costs — which employers in the survey also cited as a major hurdle (and have over the last 10 years of economic surveys). Expanding access to affordable healthcare coverage must be a universal goal, which is why we find it unfortunate that the state Insurance Department has resisted allowing many small businesses to take advantage of the Trump administration's rule on Association Health Plans. The goal of these plans is to achieve savings within the health care system and provide Pennsylvania employers with solutions to meet the needs of our workforce.

Pennsylvania has much to offer now and well into the future. By harnessing the full power of our various assets and making the Commonwealth a more hospitable place for everyone — from Fortune 500 companies like Amazon to entrepreneurs and sole proprietors — we can ensure our competitive advantage, secure our reputation as a hub of innovation and prosperity, and propel this great state into a dynamic and prosperous future. ■

■ **Lindsay Andrews** is communications manager with the PA Chamber.



Visit [www.StartTheConversationHere.com](http://www.StartTheConversationHere.com) to learn more about this dynamic program and the PA Chamber's ongoing efforts to tackle the skills gap in Pennsylvania.

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**Eric Wenger**  
Tax Services Group

A portrait of Eric Wenger, a middle-aged man with short grey hair and a friendly smile, wearing a dark blue blazer over a light blue button-down shirt. The background is a blurred office interior with warm lighting.

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# Falling Into Giving

**A**utumn is a busy time at the PA Chamber. In addition to keeping a close eye on what's going on in the state Capitol and advocating for pro-business legislation, we also spend a considerable amount of time planning and preparing for the final PA Chamber events of the calendar year. Yet, despite the hectic schedule, our staff always looks forward to participating in the annual United Way Day of Caring.

For the 2018 United Way Day of Caring, which was held on Friday, September 7th, 13 PA Chamber staff members spent the day at Vision Resources of Central Pennsylvania. An incredible asset to the central Pennsylvania community, Vision Resources has helped to empower individuals who are visually impaired or otherwise disabled through prevention, employment and educational awareness programs for nearly 100 years. Serving Cumberland, Dauphin, Franklin and Perry Counties, the organization served over 16,000 people in the community last year.



The Chamber staff split into groups, with some working on projects on the exterior of the building — including cleaning up the overall landscape — while others tackled a variety of projects inside. The interior group spent time sorting art prints for sale; cleaning and painting a storage unit; organizing the warehouse; sorting pens; and assembling ornaments that are sold to help raise funds for VRCP.

“It was inspiring to learn about all the programs Vision Resources offers to support individuals who are visually impaired,” said PA Chamber Corporate Events and Promotions Executive Ashley Mostek. “The ability to see the world around you is something that can often be taken for granted. Vision Resources is constantly looking at innovative ways to expand and improve their services in order to help their clients better navigate daily life and live as independently as possible.”

The following week, some members of the PA Chamber CARES team carried on the spirit of giving back by spending the afternoon cooking dinner for guests at the Ronald McDonald House Charities of Central PA. The Ronald McDonald House provides temporary, no-cost housing to families who have traveled from out of town in order to seek medical treatment at Penn State Children's Hospital for their seriously ill children. Located within the Penn



State Health Milton S. Hershey Medical Center campus, the Ronald McDonald House of Central Pennsylvania has been helping families since 1984.

This year, five Chamber staffers donated their time and culinary skills to whip up meatball sandwiches, caprese

salad, pasta salad and cookies for the families staying at the facility while their loved ones receive treatment at Penn State Children's Hospital.

“Volunteering at the Ronald McDonald has become an annual Chamber tradition that we always look forward to,” PA Chamber Communications Manager Lindsay Andrews said. “These families have enough to worry about, and after spending hours on end at the hospital with their sick children, the last thing they should have to think about is what's for dinner. It's always a great experience working with the team of volunteer staff at the Ronald McDonald House to provide a home cooked meal and have the opportunity to meet with some of the families staying on site.”





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# Pennsylvania's Manufacturing Boom Needs a Silicon Valley

By Dianne Denison

**M**y 13 year old daughter often asks, “Momma, what do you really do?” Well, basically listen to machines to make manufacturing plants healthy and happy. The reality? We play with and build things with technology Legos, and get paid to do it.

When I think of how fortunate I am to be running a company where I can do what I love, I think of my father. A Kentucky coal miner's son, dad entered the Marines after graduating from high school. He then became a business owner who gave back to the community and had clients ranging from the U.S. State Department to entertainers, politicians and everyday people — he connected with almost everyone. But the role he took on most seriously was that of a father. Committed to developing my roots and wings, he taught me invaluable lessons — never judge a book by its cover; do good work; speak your mind; be fair and honest; study hard.

Now, a parent myself, I work to instill these lessons in my daughter. In today's technology-driven world my daughter and I have to remind ourselves to turn off the electronics so that we can listen more, research the facts and hear the other's point of view. This seems to be missing in today's increasingly polarized society, which is why I work to lead Denison Consulting and Technologies in a direction that is inclusive, forward-focused and where everyone is heard.

I attribute my company's growth and success to these ideals, and frankly believe that the culture and drive of the Denison Team was perhaps the most important factor as to why Denison was named “one of the top 10 in the nation in manufacturing intelligence” in both 2017 and 2018. We are grateful to those industry executives, CTOs and CIOs who nominated and then selected us for these awards. Our culture creates a lucrative petri dish that encourages collaboration with our customers and industry partners to quickly innovate, develop and deliver impactful solutions. Our culture, size and focus give us agility to deliver and great satisfaction when doing so.

We know, for example, in our space, over 80 percent of manufacturing leaders prioritize delivery of the Industrial Internet of Things (IIoT), and over 60 percent are still planning and exploring their options, often not knowing where to start. It is a clear indication that IIoT adoption will require both enhancement of infrastructure, technical know-how and external partnerships to ensure a smooth functionality. Successful deployments are led by CEOs and executive managers who have taken a leadership role, acting as change agents, spurring this digital transformation. A majority of these same manufacturers look to technology



vendors and solution providers like Denison to deliver. And we do.

The largest and most successful manufacturing projects focus on reducing cost through operational efficiencies. Manufacturing consumes more than 30 percent of the nation's energy.

And once energy is delivered by the utility, 30 to 70 percent of operational disruptions are caused by poor power quality on the plant floor. Yet, less than 10 percent of existing manufacturers measure, monitor, analyze and act quickly to improve power quality. However, when addressed

comprehensively — as Denison has shown — production disruptions and energy costs can be reduced substantially, often by 20 percent.

As a business owner in this critical, growing arena, I am grateful to be operating in an era where more economic opportunities are afforded for us to be great. Thanks to the landmark Tax Cuts & Jobs Act passed in 2017 — which reduced the U.S. federal corporate tax rate from 35 percent to 21 percent — American companies have stood on more equal footing with our global peers. The result — millions of new jobs have been created, with over 500,000 jobs added and an equal number of job openings within manufacturing alone. The nation is adding an average of 208,000 new jobs per month. Unemployment is at a 50 year low, registering at 3.7 percent. Black, Hispanic, and female unemployment is the lowest in decades. Business and manufacturing confidence has soared — paving the way for even more investment, hiring and expansion.

The recent deal struck through the United States-Mexico-Canada Agreement will add even more fuel to this economic boom, and manufacturing in Pennsylvania and throughout the nation, has the potential to soar to historic heights.

Prior to passage of this historic tax reform, the Boston Consulting Group postulated that China's manufacturing cost advantage over the U.S. is shrinking; and within a few years, the gap will close. This will be driven by higher Chinese wages, a weak dollar, higher U.S. productivity and an





energy advantage held by the United States. Let's not forget our major asset — the productivity of US workers. America's manufacturing sector remains a global powerhouse, with output rising over two and a half times since 1972. Many predict that the U.S. holds an enviable comparative advantage in manufacturing — able to produce at near par with China in 2018 and at 15-20 percent less than European manufacturers.

Once tax reductions are more fully realized, global trade deals are more fairly restructured, and further clarity is provided within the regulatory climate, manufacturing in the U.S. stands to explode. And, over the last two years, it has exploded — growing even faster than most predicted.

Throughout the first decade of the 21st century, high paying technical jobs in my industry were outsourced to India, China and other countries; allowing firms within these countries to benefit greatly from unbalanced trade deals, lower relative taxes and open door visa programs allowing for the free-flow of coveted intellectual property. Offshore IT staffing and consulting firms masterfully took advantage of this, and the same technology workers who were often required to train offshore replacements were fired shortly thereafter. This was a huge loss to Pennsylvania, which is home to some of the best engineering and technical schools in the nation.

Small business like Denison employ more than 60 percent of American workers. According to the National Small Business Association, the three largest areas of greatest concern for owners are: reducing tax and regulatory burdens and replacing Obamacare. In my view, when the average cost for a start-up for regulatory compliance is over \$83k — there's a problem. When most small business owners take on the responsibility of being in charge of

compliance, poring over volumes of regulatory rulings instead of spending time growing their business, hiring more workers and expanding the economic base in the communities in which we operate — there's a problem. When innovative technology companies are faced with fraud, corruption and theft of their ideas resulting in added legal costs — there's a problem. When small business owners want to attract, hire and select the best employees, treat them fairly and offer good wages and benefits including health care coverage for workers and their families but are faced with skyrocketing costs due to mandatory coverage of non-paying, non-citizens and other free riders — there's a problem. The rules must be balanced and fair, and only then will small business growth truly take hold in Pennsylvania.

Denison made the strategic decision to headquarter our operations in Pennsylvania due to a myriad of factors including close proximity to our manufacturing customer base, close proximity to vocational schools and universities supplying us with a highly trained and educated resource pool, and a quality of life for our team to thrive. It is my hope that Pennsylvania lawmakers further reduce our state income rate (one of the highest in the country); nix additional energy-related costs (another punitive severance tax); and reduce the quantity and complexity of regulations. Once accomplished, Pennsylvania will become even more attractive for expansion. ■

■ **Dianne Denison** is Founder & CEO of Denison Consulting Group, Inc.



# IT Security Roundtable

**Friday, February 22, 2019**

Hershey Lodge, Hershey, PA



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# Action Spotlight



*PA Chamber VP Sam Denisco and Jared Walczak of the Tax Foundation discussed recommended reforms to PA's Tax Code at a recent House Republican Policy Committee hearing.*



*The entire PA Chamber team and their families enjoyed a fun family day in August at Knoebels Amusement Resort in Elysburg, PA.*



*13 PA Chamber staff lent a hand at Vision Resources for the United Way of the Capital Region's 2018 Day of Caring. The volunteers spent the day doing outdoor and indoor projects at the organization, which works to improve the quality of life for the visually impaired.*



*PA Chamber Government Affairs Vice President Sam Denisco discussed the PA Chamber's 28th Annual Economic Survey results on a recent episode of Comcast Newsmakers.*



*PA Chamber Government Affairs Director Kevin Sunday (second from right) took part in a panel discussion that focused on opportunities for growth in manufacturing by harnessing PA's natural gas assets at a recent energy forum.*



*The PA Chamber was pleased to recently welcome the Consular Corps Association of Philadelphia to our offices for an evening reception. Representatives from 23 of CCAP's 56 member countries were in attendance.*



*In September, members of the PA Chamber Cares team whipped up dinner for families staying at the Ronald McDonald House in Hershey, PA while their children received treatment at Penn State Hershey Medical Center.*



*Efforts to spur small and diverse business growth was the focus of a recent Town Hall meeting that was hosted by the PA Chamber and sponsored by healthcare company, AmeriHealth Caritas.*



*U.S. Senator Pat Toomey, R-PA, joined PA Chamber President Gene Barr, PA Manufacturers Association President Dave Taylor and other business leaders at a roundtable discussion that focused on the impact of trade tariffs.*



*Each month, PA Chamber staff are recognized with "awesome awards" from their co-workers. Whether this recognition has been earned through the employees' hard work ethic, their willingness to lend a hand or another random act of kindness, we're thrilled to give them kudos for making a positive difference in the lives of a fellow staff member and at the Chamber.*

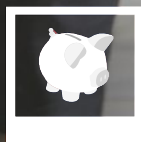


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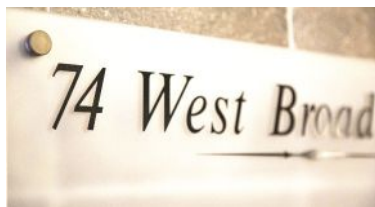
## CORNERSTONE

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**C**ornerstone is one of the nation's leading independent investment consulting firms managing nearly \$6 billion of client assets. The company's mission is to build and preserve the assets of institutions and wealthy families, now and into the future. Its success is based on navigating complex financial decisions on behalf of its clients. Cornerstone's mission is laid out right in its tagline: *Insight. Influence. Integrity.*

Cornerstone focuses on three lines of business — Institutional Consulting, Private Wealth Management and Insurance Consulting. Cornerstone is a 100 percent employee-owned, 30-person firm with clients in 25+ states across the U.S. The firm's clientele includes entrepreneurs, not-for-profits, corporations, municipalities and various national and statewide associations. Cornerstone comprises two operating companies, Cornerstone Advisors Asset Management, LLC, its investment consulting arm, and Cornerstone Institutional Investors, LLC, an insurance agency.

Over the last two years, Cornerstone has been nationally recognized by *Barron's*, *Pensions & Investments*, the National Association of Plan Advisors, and *Financial Advisor Magazine*. Cornerstone's standing as the 54th largest national Outsourced Chief Investment Officer by *Pensions & Investments* is a source of pride; however, its ranking by the same source as one of the Best Places to Work in Money



**“Cornerstone is our life's work. I like to say that our clients are the DNA of our firm, but what sometimes goes unmentioned is that our employees are vital organs that keep the organization going strong. Without our employees ... we would never have gotten to where we are, or more importantly, where we want to go.”**

— Cornerstone CEO Thomas J. Scalici

Management is even more important to them. This ranking is based on survey responses from the company's employees and reaffirms the belief that Cornerstone's culture helps to attract and retain extraordinary employees to serve its clients.<sup>[1]</sup>

As CEO, Thomas J. Scalici, said, “Cornerstone is our life's work. I like to say that our clients are the DNA of our firm, but what sometimes goes unmentioned is that our employees are vital organs that keep the organization going strong. Our clients have high expectations for us, but our internal expectations are much greater than theirs. Without our employees showing up every day fully focused on serving our clients, we would never have gotten to where we are, or more importantly, where we want to go.”

In 2016, Cornerstone implemented an Employee Stock Ownership Plan, meaning that every eligible employee is an equity partner in the company and can benefit from the growth of the firm. For most of Cornerstone's history, the firm has been employee-owned, but two years ago, the four shareholders acknowledged that the

next generation of Cornerstone was prepared to ascend into more prominent positions of leadership and therefore deserved to benefit from the firm's growth. The company has served several ESOP companies in its role as a consultant and recognizes the ESOP as a valuable solution to the complexities of succession planning.

Cornerstone serves many types of clients, but they all have two things in common: they believe that a fiduciary decision-making process puts them in the best position for success and that risk-management techniques are crucial to the long-run outcomes they wish to achieve. The firm has been a

discretionary co-fiduciary (also known as an OCIO, Deposit Administrator, ERISA 3(21), among other names) for clients since its founding. It serves in this capacity for dozens of endowments, hundreds of retirement plans, and various Pennsylvania counties and municipalities.





Since its inception, the firm has worked with the owners of privately held businesses, with services ranging from assisting with cash management to corporate retirement plans to personal liquid assets. With almost \$1 billion in private client assets, Cornerstone can act as an outsourced family office — the firm's Corner Office service model — or as an extension of an existing family office. Besides investment capabilities, the firm provides life insurance services for families of extreme wealth, as well as asset aggregation and performance reporting.

Cornerstone does not sell product; it sells process. This means that clients can expect and will receive independent advice which is customized to their needs. So long as goals and expectations are properly set, Cornerstone's investment process can be applied to any pool of assets.

"The next decade in the capital markets won't look like the last decade [since the Great Recession]," says Cornerstone President, Malcolm L. "Skip" Cowen II. "It will be up to independent firms like Cornerstone to stay ahead of continually more complex financial markets and prepare our clients to be good fiduciaries for their assets. I believe that we are positioned to continue to do just that." ■

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[1] Inclusion in rankings and surveys does not imply anything about a particular client's experience or investment results with Cornerstone Advisors Asset Management, LLC.

#### 2018 Barron's Top Institutional Consultants

The Barron's Top Institutional Consultant list was based on a range of criteria, including institutional investment assets managed by the company's financial advising team; revenue generated by those assets; the number of clients the team serves; the number of team members and their regulatory records; and the advanced, professional designations and accomplishments of the team.

#### 2018 Pensions & Investments OCIO Ranking

The Pensions & Investment OCIO list ranks firms based on institutional assets in outsourced investment programs, in millions. The data gathered is based off of May 31, 2018 assets under management. For more information, please visit: <http://www.pionline.com/article/20180625/ONLINE/180629956/ocio-managed-assets-leap>

#### 2017 Pensions & Investments Largest Investment Consultants Ranking

The Pensions & Investment Largest Investments Consultant list ranks firms based on institutional assets under advisement. The data gathered is based off of June 30, 2016 assets under management.

#### 2018 Financial Advisor Magazine (FA Mag) Annual RIA Ranking

FA Magazine invites all independent registered investment advisors to participate who meet certain criteria. Firms are ranked based on assets under management as of year-end 2017 ADV filings. To be eligible for the ranking, firms must be independent registered investment advisors and file their own ADV statement with the SEC and provide financial planning and related services to individual clients. For more information, please visit: <https://www.fa-mag.com/news/ria-survey---ranking-2018-39594.html?section=133>.

#### 2017 Financial Advisor Magazine (FA Mag) Largest RIA Ranking

FA Magazine invites all independent registered investment advisors to participate who meet certain criteria. Firms are ranked based on assets under management as of year-end 2016 ADV filings. To be eligible for the ranking, firms must be independent registered investment advisors and file their own ADV statement with the SEC and provide financial planning and related services to individual clients. Corporate RIA firms and investment advisor representatives (IARs) are not eligible for this ranking.

#### 2017 NAPA Top DC Advisor Teams

The NAPA Top 100 DC Wholesalers list was selected based on votes casted by several thousand advisors from a list of nearly 600 wholesalers nominated by NAPA Firm Partner record keepers and DCIOs. For more information, please visit <http://www.napa-net.org/news/inside-napa/awards-and-honors/announcing-the-2017-top-dc-wholesalers/>.

#### 2017 Best Places to Work in Money Management

Pensions & Investments partnered with Best Companies Group, an independent research firm specializing in identifying great places to work, to conduct a two-part survey of employers and their employees. The first part, worth 25 percent of the total score, consisted of evaluating each nominated company's workplace policies, practices, philosophy, systems, and demographics. The second part, worth 75 percent of the total evaluation, involved an employee survey designed to measure employee experience. For a complete list of the 2017 Pensions & Investments Best Places to Work in Money Management winners and write-ups, go to [www.pionline.com/BPTW2017](http://www.pionline.com/BPTW2017).

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## Strengthening **your** business

### Proposed Overtime Rule Change Will Hurt Employers and Full-Time Workers

Pennsylvania's onerous tax structure and burdensome regulatory environment are not the only factors that could impact a business's willingness to locate and invest in the state. The Commonwealth's labor climate can also play a significant role. That's why the PA Chamber sounded the alarm over the summer after the Pennsylvania Department of Labor and Industry unveiled the details of a proposal that would significantly redefine overtime eligibility for "white collar" employees, potentially forcing many businesses to curtail work hours and limit job growth.

In short, the proposal would dramatically change overtime eligibility rules imposed on Pennsylvania employers by requiring a wage threshold for "exempt status" that is more than double the current rate set by the federal government. Significant revisions would also be made to the so-called "duties tests," which are also used to determine eligibility. Finally, the proposed changes would establish an automatic update to the salary threshold every three years beginning in 2023.

President Obama tried to implement a similar — but less far-reaching — proposal at the federal level in 2015. At that time, the response from employers across the nation was swift and deeply negative — particularly among small businesses, nonprofit organizations, higher education institutions and the health service industry. Employers not only described significant increases to the cost of providing services and doing business, but also the reality that this dramatic change would damage workplace culture and morale, as employers would be forced to shift employees from earning a salary to being paid by the hour. This

transition typically requires employees to start clocking in and out, along with more burdensome record-keeping, less flexibility, a rigid work schedule and fewer training opportunities and benefits. It's important to note that following this negative feedback, the Obama regulations were struck down in federal court.

When the state announced plans to go down a similar path, the PA Chamber expressed great concern about the impact this policy would have on both employers and workers. During the Independent Regulatory Review Commission's public comment period on the proposed rule change, we encouraged employers across the Commonwealth to submit comments about its impact. We also submitted our own comments that outlined the negative unintended consequences that could result from such a change, including the harmful impact on the state's overall economic climate and competitiveness since Pennsylvania businesses would be the only ones affected by these changes.

Thanks in large part to the comments filed by the Commonwealth's business community, when IRRC's commissioners issued their comments in September, they raised several questions and directives outlining multiple reasons why proposal should be rejected. While this was a major victory for employers, the process isn't yet finished. The Department of Labor and Industry will likely submit a final proposed rule, which IRRC could opt to reject if its questions are not sufficiently answered or directives are not sufficiently adopted. The PA Chamber will continue to closely monitor this situation as it unfolds. ■

## New Export Markets, Not Trade Wars, Needed to Grow PA's Economy



**F**rom Wyomissing to Warminster to Pittsburgh, workers and businesses in Pennsylvania depend on trade to reach consumers overseas or right across Lake Erie. In the Keystone State, nearly 1.4 million jobs are supported by international trade. More than 15,000 companies in the state send their goods around the world. Impressively, 88 percent of these exporting companies are small and medium-sized businesses.<sup>1</sup> Free trade agreements have helped to expand those overseas markets in turn allowing Pennsylvania's exporting companies, and certainly those that support these companies, to grow.

Take a look at the North American Free Trade Agreement, for example. The U.S. Chamber has strongly supported and advocated for a modernized and updated NAFTA that lowers trade barriers and brings the agreement up to speed — for example, with advancements in technology. Over the last couple of years, more than 25 percent of all exports from Pennsylvania went to Canada.<sup>2</sup> And trade with Canada and Mexico supports 436,000 jobs in the state.<sup>3</sup> Making certain NAFTA remains trilateral and in place means companies in Pennsylvania remain competitive when looking to export to Canada and Mexico as nearly 98 percent of all goods in the NAFTA region currently enjoy no tariff. And on the other side of the coin, consumers in Pennsylvania are afforded more choices at better prices in stores because of international trade.

America's economy is indeed humming along aided by comprehensive tax reform, targeted deregulation and smart energy policies. However, this much needed economic growth is in jeopardy because of a trade policy pursued by this administration that threatens to upend and possibly close off foreign markets to Pennsylvania's exporters. While there are



unquestionably imbalances and issues with the international trading system, the remedies selected by this administration are off target and are predictably causing harm to America's consumers, workers, farms and businesses. No one wins in a trade war.

With an emerging trade war causing disruption and uncertainty, discussing the benefits, and indeed challenges, of trade has never been more important. The current approach of misusing national security laws to levy tariffs on our closest allies and trading partners is not the answer. Because of the administration's current trade policies, more than \$4 billion dollars worth of exports from Pennsylvania face retaliatory tariffs on everything from coffee to motorcycles to steel and coal.<sup>4</sup> Not only does this course of action make products for consumers and inputs for manufacturers in the United States more expensive, it can close markets overseas to American exports when our trading partners retaliate. For example, take Martin's Steel in Mifflinburg. Since the administration put tariffs on imported steel and aluminum, their cost for steel has gone up about 30 percent while their cost for aluminum has gone up some 45 percent.<sup>5</sup>

We remain clear-eyed about the challenges and barriers faced by U.S. exporters and businesses overseas. Other countries continue to maintain steep tariffs and other barriers to trade in place. American workers and farmers deserve to

compete on a level playing field. The world-class workmanship that goes into producing high-quality American products is unmatched. When these goods can be sold globally without facing uncompetitive subsidies or import restrictions, they remain the preferred choice for consumers all over the world. In cases where high barriers for U.S. exports are in place, there is no better remedy than pursuing a free trade agreement to eliminate those barriers, set high standards and provide protections such as those for

intellectual property. To supplement those efforts, cases concerning unfair trading practices can, and should, be brought to the World Trade Organization where the United States enjoys a good track record of success.

Given how integrated and competitive today's global market is, the United States should be in the business of maintaining and cultivating new export markets for American companies rather than subjecting our exports to foreign tariffs. Opening new markets will ultimately benefit Pennsylvania exporters like PDC Machines in Warminster and Ridgetop Orchards in Fishertown. Their success benefits their workforce, their local community and indeed the state's economy. Let's keep our focus on growing the economy, not erecting barriers to its success. ■

1 <https://www.census.gov/foreign-trade/Press-Release/edb/2015/edbrel.pdf>

2 <https://www.census.gov/foreign-trade/statistics/state/data/pa.html#ctry>

3 [https://www.businessroundtable.org/sites/default/files/BRT\\_NAFTA\\_2018\\_Pennsylvania.pdf](https://www.businessroundtable.org/sites/default/files/BRT_NAFTA_2018_Pennsylvania.pdf)

4 [https://www.uschamber.com/sites/default/files/tariff\\_data/one\\_pagers/pa.pdf](https://www.uschamber.com/sites/default/files/tariff_data/one_pagers/pa.pdf)

5 [http://www.dailymail.com/news/local\\_news/tariffs-cutting-into-valley-businesses/article\\_3e7df4f5-610b-5df2-a5ad-28b830a2ea11.html](http://www.dailymail.com/news/local_news/tariffs-cutting-into-valley-businesses/article_3e7df4f5-610b-5df2-a5ad-28b830a2ea11.html)



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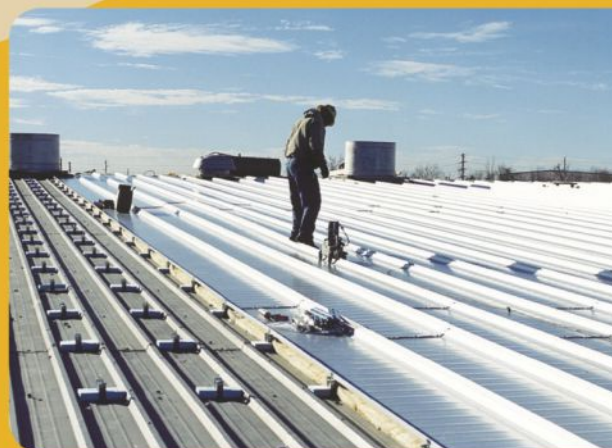
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## PPL Electric Utilities putting down deep Community Roots

**P**PL Electric Utilities' investments in the communities it serves have always gone beyond poles and wires. Now, the company is also putting down roots.

The Allentown-based utility, which delivers electricity to 29 counties in eastern and central Pennsylvania, launched its Community Roots program in fall 2017. The program provides free trees and seedlings to three types of groups — fourth-grade schoolchildren, local governments and environmentally-focused organizations — on a first-come, first-served basis.

In addition to beautifying the community, the trees deliver environmental benefits including cleaner air, and habitat and food for birds and animals.

Public response to Community Roots was so strong that PPL quickly gave away its entire 2018 allocation in just five weeks. Ordering for 2019 is already closed. To date, Community Roots has distributed nearly 38,000 trees. A varied mix of Pennsylvania native tree seedlings including — alder, pine, oak, maple, sycamore and birch — is distributed.

Michael Hasel, manager-Environmental Compliance for PPL Electric Utilities, says Community Roots has been a hit.

"It's our priority to operate in an environmentally sensitive way and preserve the environment for coming generations," Hasel said. "Making trees available for planting is a great way to do that, and we're glad that the program has caught on so strongly."

Hasel also points out that Community Roots is a program well-suited to Pennsylvania, which is a tree lover's paradise. More than 130 species of trees are native to Pennsylvania, and forests cover about 60 percent of the state.





Of course, utilities and trees have a complicated relationship: Trees are the leading cause of storm-related power outages. PPL shares information on safe, smart planting with its Community Roots recipients, to make sure those seedlings get planted in places where they won't interfere with utilities in the future. (The company also makes safe planting information available to the public on its website, at [www.pplelectric.com/planting](http://www.pplelectric.com/planting).)

The company also urges anyone with a digging project — including tree planting — to call Pennsylvania 811 at least three business days before digging starts.

“When you call 811, your underground utility lines will be marked so you don't dig into them,” Hasel said. “Hitting an underground utility line can put you at risk for serious injury, and can also disrupt your service.”

Community Roots is far from PPL Electric Utilities' only environmental effort.

The utility uses 15 hybrid-electric Chevrolet Volt vehicles, making them available to employees who do a lot of driving as part of their daily work. The mileage driven by PPL employees in these cars has increased threefold over the past three years. The company has also introduced trucks with electric-powered bucket lifts, which are cleaner, greener and quieter than conventional trucks because the lifts can be operated with the engine off.



PPL workers also have volunteered their time to erect several osprey nesting platforms to help that once endangered species rebound. The idea is to offer the nesting platforms so the osprey don't attempt to nest on steel power line towers, endangering themselves and presenting an outage hazard. The company rebuilt an osprey nesting platform near Lake Wallenpaupack that was toppled by high winds in March.

This spring, the utility rolled out an online “falcon cam” after two peregrine falcons moved into a nesting box atop PPL's Tower Building in downtown Allentown. For more information on the company's environmental commitment, visit [www.pplelectric.com/environment](http://www.pplelectric.com/environment).

PPL and its people also make a variety of other contributions to the places where the company does business.

**Operation HELP** provides emergency financial aid to pay heating bills for families with financial hardships. It is funded by PPL Electric Utilities, employees, retirees and generous customers. PPL Electric Utilities was one of the first utilities to establish a fuel fund for customers in need.

The **Live Line Safety Exhibit** is a traveling display that recreates a 7,200-volt power line to share important information about staying safe around overhead and underground electrical lines. The exhibit has been presented to more than 10,000 people — many of them first responders whose work could bring them into close proximity to power lines.

PPL Electric Utilities also sponsors “Safety Detectives in Hot Pursuit,” a fun, engaging electrical safety show that tours elementary schools. The company is aiming to reach 100,000 children with the show over a five-year period. The shows are performed by actors from The National Theatre for Children.

PPL and its employees are also significant supporters of the United Way throughout its service territory. And employees generously give their time in a variety of community roles, such as volunteer firefighters, youth sports coaches, literacy instructors and nonprofit agency board members.

All of these actions can make a long-term difference in communities — by teaching important safety lessons, helping steer children in the right direction and giving a hand to people who need it.

But the most visible sign of PPL Electric Utilities' community involvement may be just starting to grow in public parks and schoolyards throughout the company's 29-county service area. They're the trees that the grandchildren of today's customers might someday play or relax beneath.

“It's really pretty cool to think that the trees we'll give away this year will be part of the community landscape for decades to come,” Hasel said. ■





# Lowering Employer Costs by Encouraging Healthy Behaviors

By Joe Martin

**T**he value of having healthy employees is indisputable. Healthy people use less medical care, disability benefits and worker's compensation. They have increased productivity and decreased absenteeism. For many health plans, it is estimated that a staggering 60 to 70 percent of costs are due to conditions related to modifiable personal health behaviors, such as physical inactivity, poor diets, smoking and problem drinking.





According to population health experts, actual medical care accounts for only about 10 to 20 percent of the health of the population. So for most, their well-being comes from outside the health care delivery system. But poor employee health can have a significant impact on the bottom line for many businesses.

Wellness programs are popular with employers because they are the epitome of common sense. But we are a long way from a culture of wellness in the United States, when only 3 percent of the population exercise regularly, eat properly, don't smoke, wear seatbelts and have a healthy body mass index.

### Poor Nutrition, Physical Inactivity

National data indicates that the prevalence of obesity in the United States continues to increase in children and adults. Obesity affects almost 1 in 5 children and 1 in 3 adults, putting people at risk for chronic diseases such as diabetes, heart disease and some cancers. Over a quarter of all Americans in the 17 to 24 year age range are too heavy to join the military. Obesity costs the U.S. health care system \$147 billion a year. Furthermore, according to the American Diabetes Association, the annual cost of Diabetes in 2017 was \$237 billion in direct medical expenses and \$90 billion in reduced worker productivity.

Americans have a terrible relationship with food. We are happy to take our statins (cholesterol reducing drugs) on our way to Burger King. We're happy to chow down at the all you can eat buffet, and prefer that Uncle Sam, state government or their employer pay for the Lipitor.

### Smoking

Cigarette smoking is the leading preventable cause of death in the U.S. The CDC reports that more than 16 million Americans suffer from at least one disease caused by their cigarette habit. Statewide tobacco control programs that are evidence-based, comprehensive, sustained and accountable have demonstrated success in reducing the number of people who smoke, as well as tobacco-related diseases and deaths. Nearly \$170 billion in direct medical costs could be saved annually if youth are prevented from starting to smoke and every person who smokes quits. Just in Pennsylvania alone, 22,000 adults die from smoking-related illnesses each year. Every dollar spent on tobacco prevention can reduce tobacco-related healthcare costs and hospitalizations by up to \$55.

### Problem Drinking

Untreated alcohol problems can increase business costs through greater use of worker's compensation and disability benefits, accidents, increased turnover, diverted supervisory time, co-worker friction, increased liability

and theft/fraud. Excessive alcohol use, including underage drinking and binge drinking (drinking 5 or more drinks on an occasion for men or 4 or more drinks on an occasion for women), is responsible for 88,000 deaths in the United States each year, including 1 in 10 deaths among working-age adults. Binge drinking is responsible for over half the deaths and three-quarters of the costs due to excessive alcohol use.

### Chronic disease

Chronic (ongoing) illnesses among employees have a significant impact on direct medical costs to employers as well as lost productivity. Many of the leading causes of death and disability in the United States are largely preventable through early detection, intervention and behavior changes. According to the National Center for Chronic Disease Prevention and Health Promotion, 86 percent of the nation's \$2.7 trillion in annual health care expenditures are for people with chronic and mental health conditions. One in two adults in the U.S. has a chronic disease, and one in four adults has two or more. Most chronic diseases are caused by a short list of risky behaviors: tobacco use, poor nutrition, lack of physical activity and excessive alcohol use.

The number of deaths from heart attacks in the U.S. is falling. Yet, while 90 percent of these events are preventable, 750,000 Americans suffer at least one annually, making it the number one cause of death. The number of people living with heart failure — who often feel they are suffocating daily because their hearts cannot pump enough blood for a healthy, comfortable existence — is on the rise, up to 6.5 million in 2011-2014 from 5.7 million in 2009-2013.

And the costs of treating these problems are dramatic. PHC4 recently issued an important study about heart failure. In examining just 20 percent of the health care market, PHC4 estimated a total cost of care for heart failure patients to be close to \$1 billion in just one year.

So should we consider wellness programs a nice idea that just doesn't work? No. If anything, employers should redouble their efforts to help employees get healthy. But the health care delivery system needs to change as well. In order to create a culture of wellness, the way in which we pay for health care must change to reward providers for focusing on health, prevention and wellness, rather than on tests and procedures. ■

■ **Joe Martin** is executive director for the PA Health Care Cost Containment Council.



# What Happens If You Step Off A Curb And Get Hit By A Bus?

By **Dee A. Yingst**

October 2018

I'm a big proponent of cross-training and contingency planning.

In fact, I have had so many conversations over the years that start with "*what happens if you step off a curb and get hit by a bus?*" that a staff member once exclaimed "Dee, why do I have to get hit by a bus?? Why can't I win the lottery?!"

Fine.

If you win the lottery, who else can do what you do? Since presumably, you'll be off sailing in Rio and not at your desk in the morning.

It's a different way of asking the same question: what's the plan when someone leaves? (Make no mistake, that's a "when" and not an "if.")

There's a lot of talk about disaster recovery plans and succession plans. What I don't see a lot of talk about is contingency plans. To be sure, there is some overlap with succession planning and contingency planning but *they're not the same thing*.

**You have to have a plan.** You should *always* have a plan. It may not always work as well as you think, and it may not always be complete when you need it, but you have to start somewhere.

I've talked to many organizations that lost an employee and suffered some pretty unpleasant consequences — especially when you're dealing with a long term employee in a small or mid-sized company where there's not a tremendous amount of redundancy in positions. It's not just sales or other customer-facing types of positions either. Sometimes it's an IT guy/gal or a maintenance person who knows your building better than you know your own home. These folks leave behind pretty big holes.

So what do you do? First and foremost, make sure you have documentation regarding everyone's job duties. I'm not talking about their job description — I'm talking about not just *what* they do but also *how* they do it. Every single position in your company should have procedures on how they do what they do. This should include contact phone numbers for vendors (if applicable) and step-by-step instructions that could be followed by someone else in the event of a sudden departure/absence. The goal is to be able to function until you fill the vacancy.

So who creates these step-by-step instructions? The best person to create these instructions is the person who is doing the job. If writing is not their forte then have them jot notes and have someone else compile it. Find the person on your company that is really, really good at writing instructions have them do it.

**Don't stop there.** Take the time to test the instructions. If you use these procedures to cross-train other employees you can test the instructions *and* set up a backup system at the same time — it's a 2-for-1 — gotta love it! Oh, and make sure you keep the procedures up-to-date — outdated instructions aren't really helpful and might actually make things worse.

Hopefully you'll never need your contingency plan — but that doesn't mean you shouldn't have one. So get your pencils ready and get ready to write those procedures — oh and next time you're stepping off a curb, watch out for that bus! 🚗

■ **Dee A. Yingst, SPHR, SHRM-SCP, CEBS** is the PA Chamber's chief HR and compliance officer.





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# Workforce Spotlight

## An inside look at *Forbes* Magazine No. 1 Trade School: Pittsburgh Institute of Aeronautics

### Interview with PIA President CEO Suzanne Markle



#### School for Aviation Maintenance & Electronics

**Congratulations on landing the Number One spot in *Forbes*'s "Top Trade School" List! What is the energy level at the school — and with your students — after receiving this honor?**

The PIA community has been so proud and excited to be recognized in this way. Our faculty and staff work so hard toward our

students' academic and career success, and this ranking gives us the opportunity to communicate to a much larger audience about the opportunities that come along with a PIA education.

**You admitted that when you first heard of PIA you thought it was a school for pilots — which it is not — but it is filling a skills gap out there. What is the training your students get and what is/are the industry need(s) they are filling?**

Our education focuses on Aviation Maintenance and Aviation Electronics, which is also known as Avionics. Maintenance



PIA President and CEO Suzanne Markle

students learn to repair, maintain and overhaul all aspects of an aircraft — from the landing gear to the engines. Avionics students have a curriculum geared towards the complicated electronics systems that allow a plane to operate safely, leading to advanced component-level troubleshooting skills. The programs give the students the hands-on education to not only earn the needed certifications to repair aircraft, but to have a competitive edge in their careers. The skills PIA students come away with allow them to be an asset to a wide range of employers looking for a skilled tradesperson. Our students are educated in the realm of aviation; however, their skill set is transferable to several industries.

Our industry partnerships allow us to hear of the critical need that exists in aviation — and the literature has supported it for years. *Aviation Maintenance Technician Magazine's* Reader's Survey in 2014 indicated that 76.6 percent of Aviation Technicians were currently over the age of 50, so retirements are now actively occurring faster than schools are graduating new technicians, and the labor shortfall is projected to continue for the next several years. Without aviation technicians, planes simply will not leave the gate, and the aviation companies are working hard to address the current and impending shortages.







**What are the job opportunities your students are getting upon graduation, and how does the aviation industry foresee growth in the future?**

We see students accepting positions at regional airlines, MROs and major manufacturing companies. It's not uncommon for students to have secured their positions prior to graduation. The demand for PIA graduates to fill these positions, and the rate at which they move from entry-level to mid-level positions, is really telling of the industry need right now. The *Boeing 2018 Technician Outlook* publication projects that there will be 189,000 jobs in North America available for aviation technicians between now and 2037. That is a 60 percent increase from their outlook last year. As technology and the industry grow at an ever-expanding rate, more demand is created.

**You said in the *Forbes* article that "Higher ed hasn't thought about what the endgame is for students." Can you expand on that comment, and offer suggestions on what they can do to help students who might not want to pursue a traditional four-year degree?**

I want to make clear that I respect higher education as an industry and community asset, and there are several excellent colleges and universities in Pennsylvania that do much for their students and for the greater good. The larger context for my statement has to do with how colleges and universities have historically thought about the *goals* of higher education, particularly liberal arts education. The college campus environment itself attracts many students who don't have a clear career goal, and thus they sometimes commence a very expensive, academically challenging on-campus experience without a defined path.

Many colleges and universities are now having to deal with increased pressure from students and families regarding career prospects, considering many graduates' difficulties in securing meaningful employment and paying back school loans. This pressure is leading to a shift in the goals of colleges to more realistically prioritize entry level career prospects, in addition to the attainment of knowledge. PIA, and other reputable technical schools have always, by design and by necessity, been focused on career prospects for graduates, and all activities in the academic and laboratory environment are driven toward the goal of gainful employment.

A traditional four-year degree is excellent for some students, but a very poor fit for others, so the conversation about aptitudes, interests and goals needs to begin early in high school. Guidance counselors and parents need to feel confident that there are other, excellent options for students which do not necessarily require a four-year degree. I would suggest that high school students visit various types of

postsecondary schools and make their selection by what they feel passionate about and what they can make a living at, not what others might think of it.

**You have been with PIA for 19 years. What do you attribute your success to?**

I have always had a willingness to learn and grow from my experiences, and I tend to think of problems as opportunities to improve processes and communication. I recognize the amazing amount of talent we have here at PIA in our faculty and departmental staff, and my goal is to facilitate their success and the success of our students. I believe that my achievements at PIA have largely been a side effect of that philosophy. ■

*Read the full Forbes article on the PIA at <https://www.forbes.com/sites/cartercoudriet/2018/08/15/the-tiny-trade-school-ivy-outperforming-top-four-year-colleges/>.*





## A Bright Future:

### Work Ethic Scholarship Recipients Helping to Close the Skills Gap, Embark on Promising New Careers



**W**hen the PA Chamber Educational Foundation teamed up with the mikeroweWORKS Foundation two years ago, we knew that the one-of-a-kind partnership would make an impact in the Commonwealth — both in helping to close the jobs skills gap and in the lives of students with a passion for pursuing their future in the skilled trades. The Pennsylvania Chamber Educational Foundation has been focused on raising dollars to provide Work Ethic Scholarships through the mikeroweWORKS Foundation, specifically for Pennsylvania students going to Pennsylvania schools.

Last year was the first year the scholarships were awarded, and it was both impactful and rewarding to see the faces and learn the backstories of these promising student leaders. Hearing from them directly — specifically, on why they have a desire for their chosen career path, the value they place in possessing a strong work ethic and their plans after earning their education and training has been the driving force behind securing dollars from the Pennsylvania business community for the scholarship program.

Now in its second year, the PA Chamber Educational Foundation has helped to provide \$102,800 in Work Ethic Scholarships to 25 students who are entering into the skilled trades. Their aspiration to pursue this trek couldn't come at a more opportune time. In our recently released 28th Annual Economic Survey, employers — for the first time ever — cited difficulty finding qualified and skilled candidates to fill open positions as the top issue that keeps

them up at night. Not only are the scholarship recipients poised to enter into new fields where their talents will undoubtedly be appreciated and utilized, but they're doing their part to address this leading concern for employers and ensure that Pennsylvania moves in direction that will keep our state both economically secure and competitive.

*Catalyst* is proud to feature just a handful of the Pennsylvania students who received the 2018 Work Ethic Scholarship. We will continue to highlight these students, keep up the dynamic partnership we have with the mikeroweWORKS Foundation and increase our efforts in educating students and their families, educators and the business community about opportunities in the skilled trades through our website, [StartTheConversationHere.com](http://StartTheConversationHere.com). Through this multi-tiered approach to tackling the skills gap, we are confident that we can build upon the reach of our scholarship initiative and help even more students, as we continue to engage the business community across the Commonwealth.

2018 Work Ethic Scholarship:  
\$102,800 to 25 students





## SCHOLAR SNAPSHOT:

### Nicholas Polakovsky

**Mount Pleasant, PA**

**School: Triangle Tech**

**Field of Study: Electrical Maintenance**

Having first heard of the Work Ethic Scholarship through Triangle Tech, Nick is ready to do what it takes to excel in his chosen craft and eventually take over the family business — a traveling carnival! “My future plan is to become the second generation owner, and in order to do that I need to have a solid background in electricity,” he explains. The nature of this field has instilled in Nick a strong work ethic and desire to get the job done, no matter the circumstances. That’s why Mike Rowe’s S.W.E.A.T (“Skills and Work Ethic Aren’t Taboo”) pledge resonates so well with him. “I love my job even on the days when it’s 90 degrees outside or it’s pouring down rain,” Nick adds. “I would do anything I needed to complete my job or make it better, even if it meant driving to California for new equipment or towing trailers all night.”



## SCHOLAR SNAPSHOT:

### Brady Smyers

**Hillsdale, PA**

**School: Triangle Tech**

**Field of Study: Electrical Maintenance**

Brady knew early on that he wanted to become involved in the electrical field. “The area of study has always interested me. I knew it would be an area I would do well in and could find a good paying job in.” He told his high school guidance counselor and his Triangle Tech financial aid advisor about his future plans, and they clued him in about the Work Ethic Scholarship and encouraged him to apply. Brady has a keen understanding of the work and education that’s needed to become successful, and that excelling in the path he’s chosen is his responsibility alone. “Walking into a building or a home, I automatically look at outlets and see if they are up to standards,” he says. “Without attending Triangle Tech, I would’ve never noticed or even knew to look for that.”



## SCHOLAR SNAPSHOT:

### Derek Dreps

**Liberty, PA**

**School: Pennsylvania College of Technology**

**Field of Study: Automotive Technology**

Working on his family’s vehicles is how Derek Dreps first found a love for the field of automotive technology. After learning out about the Work Ethic Scholarship online, he decided to apply as he pursues his career path at Penn Tech. When asked about the area of the mikeroweWORKS S.W.E.A.T pledge that resonates the most with him, Derek’s answer is both to the point and full of wisdom — “never complaining about your work,” he says.

*continued on page 62*





## SCHOLAR SNAPSHOT:

### Trista Wise

**Linesville, PA**

**School: Vet Tech Institute of Pittsburgh**

**Field of Study: Veterinary Technician**

Growing up in a small, blue collar town instilled a strong work ethic and integrity in Trista from a young age. At first, she was uncertain as to what life held for her after high school, but admits knowing that “the typical four-year college course wasn’t the route for me.” After working with children with disabilities through equine therapy, and a stint at a veterinary clinic, it became evident to Trista that she wanted to pursue a career path involving animals. “I decided to pursue becoming a Veterinary Technician because it would enable me to work with animals on a daily basis and earn a decent wage,” Trista says. “I hope to use the knowledge I obtain to become a successful technician working with both small companion pets and large farm animals, and pursue my passion of aiding our military veterans through the healing power of our four-legged friends.” Trista also admits that she and her family are big fans of Mike Rowe for his celebration of hard-working everyday Americans, and that she decided to apply for the Work Ethic Scholarship upon her admittance to VTI. Her biggest takeaway from the S.W.E.A.T pledge is to make the most of what you’re doing, and make a difference with your work ethic. “A big thank you to Mike Rowe and his amazing foundation as well as the PA Chamber Foundation, and all the other sponsors of this scholarship!” Trista says. “Without your assistance I wouldn’t be on the path to achieving both my career and life goals.”



## SCHOLAR SNAPSHOT:

### Levi Lilley

**Jersey Shore, PA**

**School: Pennsylvania College of Technology**

**Field of Study: Building Construction**

A constant desire to learn is what sparked Levi’s interest in a career in the trades. “My boss was so good to me and willing to teach me, and I quickly began to see that the man had such great value because of all he knew about working with his hands and fixing and building things,” he says. Levi soon knew that he wanted to become valuable in that way as well, and decided to enter into Penn Tech with a determination to work smarter and more effectively. He still holds true to the belief that a love for learning is the best asset you can have throughout your career. “Learning new things so obviously grows everything about you,” Levi says. “It constantly improves your skills and allows you to become more efficient. And there is so much to learn, with many ways to find that knowledge.”



## SCHOLAR SNAPSHOT:

### Tony Anico

**Hastings, PA**

**School: Triangle Tech**

**Field of Study: Welding and Fabricating**

Tony always knew he wasn’t made to sit behind a desk all day. A career where he could work with his hands always appealed to him a lot more, which is why he decided to pursue a career in welding and fabricating after enrolling at Triangle Tech. “I feel that welding is an art, a skill, and something that I can take pride in doing,” Tony explains. His passion for his field of study is what led him to apply for the Work Ethic Scholarship, after Triangle Tech’s financial advisor notified him of the opportunity. Tony believes that everyone is allowed to make their own choices in life, and while some might choose the path of being lazy or sleeping in, the opposite is true for him — “I choose to work my butt off,” he says.





## SCHOLAR SNAPSHOT:

### Emmanuel Corral-Hays

**Carnegie, PA**

**School: Rosedale Technical College**

**Field of Study: Electrical Technology**

Having just embarked upon his education at Rosedale Technical College this fall, Emmanuel is eager to master the skills needed to become an electrical technician. "I knew I could not sit behind a desk to work, I had to be using my hands and moving around. This was a perfect choice," he says. Besides the fact that he truly enjoys his line of work, Emmanuel also embraces the mindset that he doesn't have to follow a passion to love his job — he brings the passion with him. "To me, no job is too small or insignificant," he adds. "I find that I do better work when I am positive and happy. Most of the time others feed off of it and they can be more productive as well."



## SCHOLAR SNAPSHOT:

### Wendy Binder

**Derry, PA**

**School: Triangle Tech**

**Field of Study: Maintenance Electricity and Construction Technology**

In July 2017, surgery from a torn rotator cuff forced Wendy into unemployment for the first time in 24 years. While many would find this a devastating time, Wendy harnessed it as an opportunity to find a new way to be happy. Her situation enabled her to look back to her time in the United States Air Force, when she had trained to be an electrician, and come back to that field with gusto. As a single mother with two teenage boys at home, Wendy was thrilled to find out about the Work Ethic Scholarship and applied. "Mike Rowe's Foundation really helped me put my life in perspective," Wendy says. "You sometimes don't realize something is missing until you find it. The time I spent applying for this scholarship opened my eyes and made me realize how mundane my life had become. There is not a day that goes by I don't find myself laughing harder than I have in years. My boys asked, me, 'Mom, what is wrong with you? You seem different.' The answer was simple, I am happy." Wendy credits the director and assistant director at Triangle Tech for taking a real interest in her new career path and says that because of them, Triangle Tech is her "home away from home." "The opportunities that lay in front of me are countless," Wendy adds. "There is a gaping hole in the United States for skilled tradesmen and I plan on doing my part to help fill it."

**You can help us close the skills gap! Your tax deductible scholarship donation helps students realize their goal of gaining a skilled trade, and **your company** also receives recognition for its generous support. Visit [www.starttheconversationHERE.com](http://www.starttheconversationHERE.com) for details.**



# Pennsylvania is Primed for Business Because ....

## of a robust rail transportation system

By Rudy Husband

**P**ennsylvania is home to one of the nation's largest freight rail networks, with more than 5,000 route miles of track and over 50 railroads. As the freight railroad with the largest operating footprint in Pennsylvania, Norfolk Southern appreciates the pro-business climate fostered by state policymakers — particularly as it relates to investing in the Commonwealth's freight transportation system.

State leaders have a solid track record of making strategic investments in freight rail projects that improve Pennsylvania's economic competitiveness and generate public benefits. These projects create jobs and business growth that expand tax coffers and support a transportation mode that eases highway congestion and reduces greenhouse gas emissions. In the 1990s, in a demonstration of its long-term vision, PennDOT partnered with Conrail to clear major rail corridors in the state for double-stack intermodal trains. Over the past decade, the Commonwealth has partnered with Norfolk Southern and other freight railroads to expand capacity to handle



intermodal freight, the rail industry's fastest-growing market segment and a magnet for economic development.

Today, after decades in the making, Norfolk Southern is working with PennDOT on a public-private partnership to achieve a milestone — clearing the last segment of the state's most heavily traveled rail corridor for

double-stack intermodal trains and multilevel auto racks. This mainline route runs through Pittsburgh's North Side and southwest Pennsylvania. It is part of Norfolk Southern's Premier Corridor, a route that extends across



Norfolk Southern's Harrisburg Intermodal Facility is a transportation hub for intermodal freight moving between the Midwest, the mid-Atlantic, and the Northeast.



NS trains pass through Pittsburgh's North Side near a bridge that prevents passage of double-stack intermodal trains and multilevel auto racks. NS is working with PennDOT to increase rail clearance and create a high-speed double-stack corridor through the North Side.

the Commonwealth and is a key link in the nation's freight transportation system. It connects shippers to consumer markets between Chicago and New York and supports business investment across Pennsylvania. Five of the seven intermodal terminals that Norfolk Southern owns or serves in Pennsylvania feed the corridor, anchored by two large facilities in

*continued on page 66*



# Pennsylvania is Primed for Business Because ....

## of world-class educational institutions

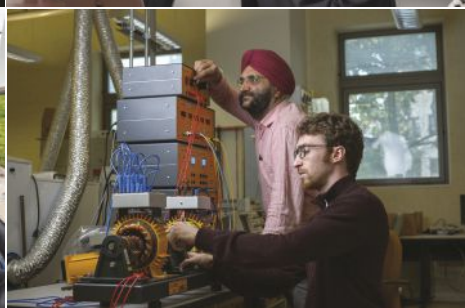
By Kevin Grubb

**C**olleges and universities today must not only offer students opportunities for intellectual growth, but also help them develop the professional skills necessary for a successful career.

Guided by its Augustinian Catholic values and grounded in the liberal arts, Villanova University's rigorous academic curriculum is the foundation for a well-rounded education that challenges its 10,000 undergraduate, graduate, doctoral and law students to



professional development concepts are integrated into the curriculum in meaningful ways. Students engage in industry-relevant case competitions, learn from leaders in their field through classroom and site visits, and are challenged to reflect critically on how career choices align with their interests, skills and values. Villanova is also a recruiting destination of choice for employers across all industries, and students eagerly contribute to organizational growth. Among our Class of 2017 graduates, 80 percent reported that they completed at least one internship experience as a student, and more than 96



think critically, act compassionately and succeed while serving others. Villanova prepares its students to be nimble thinkers who — through collaborative, cross-disciplinary experiences — develop leadership skills and express their creativity. In short, the University is preparing students with both the academic and practical skills that are most valuable to today's employers.

Career and professional development is an essential part of Villanova's educational experience, in and out of the classroom. Innovative career and

percent were employed or in graduate school within six months of graduation.

Robust career programming is also offered through the University's Career Center, and in each of the six colleges, where industry-specific programs prepare students to thrive in their chosen field. Villanovans benefit from a comprehensive network of services designed to prepare them for the road

*continued on page 66*



## of a robust rail transportation

*continued from page 64*

Harrisburg and complemented by smaller terminals at Pittsburgh, Bethlehem and Morrisville. The 2015 Pennsylvania State Rail Plan notes that more carload volumes and ton-miles of freight move on this corridor than any other rail corridor in the Commonwealth.

Conrail, as part of the 1990s clearance projects, created the current double-stack route through Pittsburgh's South Side on the Mon Line. This was the most easily converted line at a time when fewer intermodal trains were running. However, this circuitous route adds substantial time to freight deliveries across the state. It also is prone to unpredictable service disruptions triggered by landslides where the line passes along Mount Washington. Just as critical, rail traffic on the line is near capacity as market demand for intermodal transport continues to grow, driven by the e-commerce revolution. In 2017, Norfolk Southern moved more than 4 million intermodal units, comprising over half of the railroad's total freight volume. Pennsylvania ranks as the railroad's second busiest state for intermodal.

Norfolk Southern continually invests in its network to ensure safety of operations, better serve customers and support business growth. In



**An NS double-stack train on the Mon Line in South Side Pittsburgh passes a section of Mount Washington prone to landslides. Creating an alternate double-stack corridor through the North Side would enhance the safety, reliability, efficiency and resiliency of freight rail for Pennsylvania and for the national freight transportation system.**

Pennsylvania, the company has invested more than \$515 million over the past three years in track maintenance, rail infrastructure and facility improvements. Clearing the North Side route through Pittsburgh leverages the state's past investments to create a high-speed double-stack corridor that will enhance the safety, reliability, and efficiency of freight rail in Pennsylvania. Importantly, it will add capacity and resiliency to the rail transportation network — both for the state and for the nation.

As market demand for time-sensitive intermodal freight grows, so does the importance of ensuring that adequate rail infrastructure is in place to meet those needs. Doing so strengthens Pennsylvania's ability to compete for business and further positions the state as a national transportation hub. ■

■ **Rudy Husband** is resident vice president of Norfolk Southern in Pennsylvania.

## of world-class educational institutions

*continued from page 65*

ahead. Our students work with faculty, alumni mentors and a team of staff advisors to hone their professional skills through professional development workshops, mock interviews and hundreds of networking opportunities.

Though our 125,000 alumni network spans the globe, many Villanovans choose to remain in Pennsylvania. Our alumni are in leadership positions in variety of fields and professions, including world-renowned healthcare organizations, top professional sports teams, global law firms and major corporations. They have built new Pennsylvania businesses, including financial services firms and craft breweries, from the ground. Villanovans impact can be felt far and wide — positively influencing the Commonwealth's economy and communities as entrepreneurs and corporate, nonprofit and civic leaders. ■

■ **Kevin Grubb** is the Assistant Vice Provost for Professional Development and Executive Director of the Career Center at Villanova University.

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A background image showing three women in a laboratory or classroom setting. On the left, a woman with dark skin is looking towards the center. In the middle, a woman with dark hair and glasses is smiling. On the right, a woman with light hair and glasses is looking forward. A chemical structure is visible on the left side of the image.

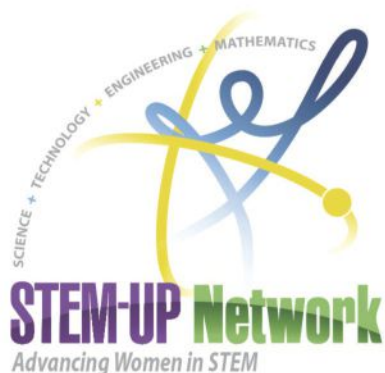
# The world needs women in the **Science, Technology, Engineering and Math** fields.

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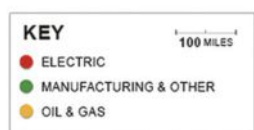
# New York State of Mind on Energy and Manufacturing: Not in My Backyard, and Not in Yours Either

By Kevin Sunday

**P**ennsylvania's neighboring state of New York has made wrong-headed and unfortunate policy decisions when it comes to energy over the past few years. In 2014, Governor Andrew Cuomo and his administration issued a statewide ban on hydraulic fracturing, depriving hundreds of struggling farmers across the state of a vital revenue source that would sustain their operations; his administration is also championing a regulatory effort at the Delaware River Basin Commission to do the same across the entire Delaware River

in New England — and, along with it, an increase in air emissions. Gov. Cuomo doesn't need to even look outside of his state to see the health and air quality improvements that come from the increased use of natural gas and cleaner fuels. In 2013, then-New York City Mayor Michael Bloomberg announced that the city had drastically reduced heating oil use in the city and replaced it with natural gas, with the result being significant reductions in SO<sub>2</sub> and PM<sub>2.5</sub>. Of course, these gains will likely be partially offset with the pending closure of the Indian Point nuclear power plant 30 miles north

## NEW YORK'S OZONE OVERREACH



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watershed. Cuomo has also blocked state water quality permits for a number of key interstate gas pipelines that would deliver natural gas to businesses and families in New York and New England — energy that is sorely needed in the winter months.

The governor has claimed drilling and pipelines will harm the environment, but in fact the lack of developing this energy infrastructure has worsened air quality. Last winter, a lack of gas supply required a drastic (and inefficient) increase in the burning of fuel oil and diesel to keep the lights on in winter

of New York City — another energy facility that Gov. Cuomo has sought to shutter due to political reasons. New York businesses and families already pay 40 percent higher energy costs due to the state's hodgepodge of costly renewable energy mandates and energy efficiency rules, as well as its restrictive approach to energy infrastructure and power generation.

In a recent turn of events, New York is now looking to export its incoherent, environmentally regressive and economically stunting policies across the



country. The Clean Air Act's Section 126 allows states to petition the U.S. Environmental Protection Agency to enforce stricter emission limits on particular sources in upwind states that are impeding the downwind state's ability to comply with federal National Ambient Air Quality Standards. Historically, these petitions have been filed against one or two particular sources, such as a cement plant on the PA-NJ border or a coal-fired power plant in south-central Pennsylvania near the Maryland border. But New York's petition, filed earlier this year, is seeking significantly stricter emissions reductions for 346 manufacturing, power generation and oil and gas facilities across the country, in nine states: Illinois, Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia and West Virginia.

The petition appears on its face to be defective. It relies on old data, and doesn't account for the significant improvements in air quality that have been achieved through the implementation of Tier 3 gasoline and the state Department of Environmental Protection's NOx RACT II rule, which took effect in January 2017. DEP's recent air quality data shows that RACT II has achieved a nearly 50 percent reduction in emissions from point sources during the summer months, when ozone formulation is of the highest concern. What's more, the RACT II rule is explicitly designed to implement the 2008 ozone rule of 75 ppb — and yet, even though the state hasn't taken official regulatory action to achieve the 2015 ozone rule of 70 ppb, nearly all of the state is in compliance with the 70 ppb standard anyway.

When DEP was formulating its RACT II rule, the PA Chamber advocated for an approach to the rule that allowed for maximum flexibility. DEP

ended up doing just that — with the option for facilities to present a case-by-case request for facility-specific emission limits. The results are clear: air quality is drastically improving. The PA Chamber has also continued to urge Congress and the EPA to retool the Clean Air Act to allow for longer periods of time to review and implement more stringent NAAQS. Reason being: EPA takes years to finish its modeling and implementation guidance to the states, while NGOs are quick to sue the EPA to ratchet down NAAQS before the last regulation was ever officially implemented. As Pennsylvania's recent experience is showing, an approach to air quality that prioritizes flexibility will result in significant improvements in air quality.

Not only is Pennsylvania on track to meet the 2015 ozone rule of 75 ppb, New York appears to be as well. So why is our neighbor to the north asking EPA to make it harder on manufacturing and energy producers in Pennsylvania and the Midwest (many of whom are sending molecules and electrons into New York to make up for its "keep it in the ground" approach to energy)?

EPA is expected to soon formally respond to New York's petition. The PA Chamber will review it and respond, making the fact-based case that our businesses and industry are taking steps to both reduce emissions and increase productivity. ■

■ **Kevin Sunday** is director of government affairs at the PA Chamber.



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## LOCAL CHAMBER SPOTLIGHT

# The Chamber of Commerce for Greater Philadelphia

Yvette Nunez, vice president of Civic Affairs for the Chamber of Commerce for Greater Philadelphia, is leading the organization's nationally recognized initiative — the Roadmap for Growth — to develop and share best practices to train and hire the Commonwealth's most vulnerable populations. Nunez's work focuses on closing the jobs skills gap, which was recently identified

as the number one challenge facing employers in the PA Chamber's 28th Annual Economic Survey, as it relates to socio-economic issues in the region — for example, a growing segment of the population comes from multi-generational welfare-subsidized homes, the street and homeless shelters. While these issues certainly present a challenge in the neighborhoods surrounding Philadelphia, they also present a unique opportunity to make a difference.

### How critical is the issue of closing Pennsylvania's jobs skill gap to secure a brighter economic future here in the Commonwealth?

Closing the skills gap and ensuring workers are well trained is one of the top issues of concern of our Chamber membership. Companies both big and small are finding that employees are not prepared for their workforce needs, particularly in the building trades. Our education action team works with members, area schools, trades and non-for-profit organizations to create opportunities for training and workforce development to help identify needs and close the skills gap.

### When did the Chamber first start to hone in on the necessity of solving the skills gap dilemma, and what programs have they put in place to combat it?

In 2014, ahead of the 2015 Mayoral election, the Chamber organized its members around a job-creation, economic growth agenda that went into neighborhoods to discuss broad issues like workforce development, transportation and infrastructure; and had candidates for both the Mayor's office and City Council address these issues as they were relevant to neighborhood residents. The City was and still is grappling with a nearly 26 percent poverty rate. This initiative — the Roadmap for Growth — is



historic for the Chamber of Commerce for Greater Philadelphia and chambers in general because it is guiding a poverty-reduction strategy at the neighborhood level. In the years since its inception the Roadmap has evolved into an action team, with 150 Chamber members creating an agenda that benefits neighborhood economic growth, partners to address homelessness and promote a pro-growth agenda.

Roadmap for Growth Issue Forums are held in neighborhoods instead of Center City in order to build relationships with the many nonprofits, civic associations and leaders who are working in neighborhoods each and every day. These events average 150-200 Chamber members, some of whom are visiting those neighborhoods for the first time.

### Your focus has been helping the region's most vulnerable populations secure jobs. What is the scope of your focus and how has your work in this area changed lives for the better?

In Fiscal Year 2017, the City of Philadelphia's Office of Homelessness Services served 15,197 individuals who were experiencing or at risk of experiencing homelessness. There has been an increase in street homelessness and panhandling that has spread beyond Center City and into neighborhoods. It is generally accepted that the opioid epidemic is a significant contributor to this issue, but we also know that there are additional factors like mental health, housing insecurity and criminal records, to name a few.



The Roadmap for Growth Action Team quickly identified homeless individuals and panhandlers as the target of its vulnerable populations work. We know through City surveys that not all of our panhandlers are homeless, and not all who are homeless are panhandling. We intentionally set out to treat these as two separate issues, and that employment would be the best support we could provide as a Chamber of small and large businesses.

One example of a partnership led through the Roadmap for Growth is our relationship with First Step Staffing, a nonprofit staffing firm founded in Atlanta, GA that works with social service organizations to place homeless and returning citizens into temporary work. Through Roadmap, we are building a pipeline of employers who are beginning to think of the opportunities they may have for these populations and then connecting them to First Step. Since launching in March 2018, First Step has placed 700 individuals into employment.

We have also met with a cross-sector of industries and providers to discuss a pilot program employing panhandlers through a day laborer model currently operating in Albuquerque, NM and Denver, CO. We will continue to refine this opportunity over the next year.

**How can every chamber of commerce ensure that they are living the mission to improve the economic quality of life for all?**

In order for the Roadmap for Growth to be credible in discussing issues of poverty, which it had never engaged before, we had to open our doors to partners that ordinarily would not have been a part of Chamber discussions. Giving a seat at the table to non-members, civic associations and

community-based organizations, for example, who are working in neighborhoods on behalf of underserved communities each and every day honored the work that we are all doing to move Philadelphia forward.

Our members, through effective Corporate Social Responsibility initiatives, including philanthropy, diversity and inclusion and volunteerism, to name a few, have been making an impact “on the ground” for decades. Chambers of Commerce can follow their lead and make sure that their own shops are following these principles. For example, we position diversity and inclusion as critical for business maturation and growth. Our Diversity & Inclusion Initiative drives economic competitiveness and highlights diverse employee populations that are underrepresented in the region. As Chambers, we can accomplish so much more when we bring our member companies together to row in the same direction on issues of economic quality of life for all.

**Where do you envision the program going next?**

Understanding that companies have varying levels of bandwidth, we want to create opportunities for more companies to engage, whether they be episodic or long-term solutions towards economic growth. Episodic examples include corporate volunteer days where companies read to elementary school children in support of the City’s push to have children reading on grade-level by the time they enter fourth grade. Longer-term solutions include identifying the right public and private sector partners to implement an employment program for panhandlers.

We would like to see the Roadmap for Growth become a model for Chambers across the country in cities confronting high poverty rates, as it has yielded a promising level of engagement between government, community and business. ■

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### *The Five Leading National Indicators Facing Today's HR Professionals*



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