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County faces new opportunities to overcome familiar challenges

Schuylkill County is at a crossroads while the landscape of the national and global economy continues to change. A panel of business leaders from Schuylkill County share their thoughts on how the region can best align itself for growth and what obstacles still lie in the path of prosperity.

The following is a transcript of The REPUBLICAN & Herald's first Economic Roundtable held Jan. 29. It has been edited for length and clarity. Biographical information on the participants appears on Page A9.

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PETE BANKO: Thank you all for taking time out of your busy days to join us. The format is this: I'll ask a question and we'll go around the table in order. We'll have three questions; please keep your responses from two to four minutes. With that said, why don't we get started? Why don't we start with Mike Hashin?

So the first question for Mike is this: Schuylkill County is blessed with a dedicated workforce, but it is now at a crossroads. How do we successfully convert that work ethic into the trained and skilled workforce necessary for the 21st century?

MIKE HASHIN: Well, I think that responsibility is going to depend on us as the employers because we're going to have to create certain positions that the job force is going to demand. I myself with a smaller company, compared to all of you people here, we've experienced very little turnover. Of course, we only have, say, 11 employees, but we're proud to say that with our employees, we don't lose them. I should qualify that perhaps by saying maybe one in the last 13 years.

So that's an excellent record, but the question that you have in front of us is how do we create that? And I think the training has to come from our schools, of course, and whether it's the IUs (Intermediate Unit) or if it's going to be in the college level, whatever, but we as owners I guess can impart our knowledge to our employees like in your case — my case retail — but basically the dedication is the surprising thing in our area.

I think the employees are so dedicated to you. You treat them fairly, I think they're gonna stay with you. When the people talk about this minimum wage, and this and that is going to hurt various industries. We pay above, of course, that level and we pay upon what our employees can do. But I just think that we're fortunate in having an employee base that's available, and if you take care of them, they're going to stay with you and they're going to produce. So basically, that's my comment on that first question.

PETE BANKO: OK. Thank you, Mike. Martha Herron?

MARTHA HERRON: First of all, the work ethic is so positive in this area, but the question is how do you take that strong work ethic and match it up with industry and with the skills that are needed by every sector of industry in the community? And I think that's a key issue.

Working with the manufacturers' association (Manufacturers and Employers Association) and with SEDCO (Schuylkill Economic Development Corp.), we were able to hear from enough industries that they in fact were not able to get the skilled workforce that they needed. Now the question is, what are those skills that you're looking for, which is a very important question. And some of the skills which will be very surprising are very basic. Things that we around this table take for granted, such as good communications skills, team-building, being able to come to work and report to work, know the policies and the procedures. The very basics.

So after talking with a number of industries, we decided that we were going to try and implement and were very successful in implementing the YES Program. OK, now let me talk to you about what that YES Program does.

The YES Program, which is an acronym for Your Employability Skills, a dynamic program initiated several years ago in York County. We don't have to reinvent the wheel. There are benchmarks out there. We need to reach out to those communities that are benchmarks and have them partner with us so that we can implement a program that meets our needs. Schuylkill County is the third area, the third in the Commonwealth, to begin utilizing the program with Schuylkill Haven Area High School offering the curriculum. The program helps students develop the fundamental skills employers require to maintain the well-trained workforce. And there are four additional school districts scheduled and have implemented the program for the next school year, and it is anticipated that more districts will enlist in the program as the word spreads.

So these candidates that get the YES certificate program are interviewed by the companies because they have this certificate participating in the YES program. The curriculum was developed by industry to meet industries' needs. That's only one answer to this complicated question, but it is an answer, and where do you start? You start with the

employers. And then you match the employers' needs with the educational needs and you have to start as early as in the grade schools. So the answer to that question, just a part of that question, based on my experience is working with industry and education in the matching.

What's going on in Schuylkill County? What are the high-level skills that are needed to not only attract industry, 'cause the market force will take care of that, but also to maintain what we have and it's very important that we maintain our face, our foundation. Pay attention to the industries that already are here, and how do we keep them?.

PETE BANKO: Thank you. Bill Kirwan?

BILL KIRWAN: Thank you. I think that the workforce is somewhat undereducated and we need to go back and really look at education from the ground up, from the grade schools through the high schools. Not once they are past that time ... the workers. It's very difficult to go back and give them skills that they really should have gotten in their formative years. And I think we have in Schuylkill County something of an underemphasis on education and we need a societal shift really to make parents — who are the first educators and the primary educators, really — understand that their involvement in their children's education is really critical not only to whether they get an "A" in math, but critical to their children's lifetime success.

And taking it a little bit beyond parents, we need for all of our citizens to understand that they need to support education. They need to support it financially, whatever means of financing it, we determine are appropriate. Everyone has to pay a share whether they have children in the system or whether they don't because we all are dependent on economic success and that really has to start with elementary education.

PETE BANKO: Thank you. Brad Miller?

BRAD MILLER: Let me start first by saying that I am relatively new to working in the county. I've been here for about four months with Yuengling, so some of the things that are said here about turnover rate which I obviously know from being there is very low.

Once people are there, they're very happy, so I'm really going to piggy-back off some of the other comments that have been made. I think really what needs to happen is it needs to start with the education. I think that's very important, but to take that a step further is to show and educate people that there are opportunities here locally. That there are good opportunities for them whether it's by going to trade schools, going to college, military, any kind of training they can do, there are opportunities in this area.

The second thing is the YES Program. I was with Harley-Davidson shortly after coming out of the military and they did the YES Program there. It worked very well. So, Martha, what has been your experience with it?

MARTHA HERRON: It's been very positive. There was a very short program, when you look at YES, that was implemented in Luzerne County modeled after YES, the Ready Program. And again it's because the curriculum is developed by industry, then you've already saved industry training because they're going through all of the courses that industry is saying we need to have.

After the intensive training and getting the certificate, they go through the drug testing and they go through the interview. They get the interview because they've already had the YES Program and the certificate of training, so my experience has been that employers are very anxious to get these type of candidates to be able to interview and it's been very successful. YES is very different than Harley-Davidson as they started the program because now they've taken that curriculum and they've actually put it in the junior class in the high schools, so rather than waiting until they're graduating and doing some remedial, it's get the program in and it's credit towards graduation. So that's exactly the benefit there and, again, remember Schuylkill County is only the third county to adopt it and we're moving really fast with it. We've got like seven of the school districts on board.

BRAD MILLER: And why I wanted you to elaborate on that is again because that goes exactly what my experience was down in York.

And the last thing, I'll close for my comments, is you know my background was I grew up in this area and one of the things that I saw out in the military and out in different places that I've been as a young adult is the heritage and the background the people here, you're talking about work ethic. I definitely think that does start in the homes, it starts in the schools. And, again, we just need to push the opportunities and really identify what opportunities are here for people, whether it's using the YES Program, learning about it in school or showing the opportunities that they have out there.

PETE BANKO: OK. Thank you. James Miller?

JAMES MILLER: In the case of the construction industry, our company has really been trying to get students interested in the vo-tech. We really need the local school districts to help get kids into there and educate them because everybody's going to go to college and everybody's going to go to business school and we've picked up a few kids, but not as many as we would have liked, and the school and the parents' support really isn't there for vo-tech schools.

We've done a job fair this past year, and that really worked to help us pick up about a dozen employees, and we were really surprised how much better that worked because we just had them come in. We took applications, we did not do any interviews, we just showed them around the office and what we do. Right now, we have two engineers on staff, but before that we had no one with a college education in the office and they all came up from the vo-tech schools and they've done very well and they're staying here.

PETE BANKO: Thank you. Jerry Petrole?

JERRY PETROLE: I'm with Valley Technologies, and we're an electronics design group that works primarily on leading edge designs for the government, although we do have a commercial group. We're a company of about 30 people. Of that, we have 20 professional engineers.

We face a daunting challenge in bringing in experienced double-E and computer science graduates, specifically people with experience in the given areas that our contracts call for us to perform on. And it's been very very difficult, or as Jim said, there is a very, very small pool of college grad-type professional engineering people in Schuylkill County. They just aren't a lot here. As a matter of fact, all of my 20 engineers I brought in from outside the area, as far away as San Diego, New England, Texas.

How do you do that? You have to pay the same wage that they would be getting in those areas. In fact, I even have to pay a little bit more because I have to entice them to come to our area.

Now we all know that Schuylkill County has a lot of attractive features, especially for the outdoors person, the camper, people who are tired of the city life and traffic backups, and paying three to four times as much as we do for homes in our area and taxes, so that's very attractive. But I think we really have to focus as a county or as an economic organization on finding ways to bring the work into our area — the high-paying contracts that will allow the employers to pull these types of technical people into the area.

I've always felt that the heart of any economic development effort has to focus around where the largest pool of money is and the largest pool of money in our country in the federal government. We have to motivate our employers in our areas in many, many different ways — not just high technology — to go after federal government contracts.

Our local Congressman Tim Holden ... his staff literally bends over backwards to bring the types of resources to bear to a small company or even a large company to try to lock down federal contracts. But once you have that cash flow, that allows you to bring professional people into the area and pay them on a national basis. Hopefully, they will stay. Hopefully, they will even spawn some companies of their own and I've seen this happen all over the country.

State College, Pennsylvania, in particular is a good example of that where one large company that started in the late 1940s has spawned over 100 technology companies, including mine. I just chose to stay in Schuylkill County. So it's a daunting challenge and the YES Program, which I'll also plug because I'm also on the board of the manufacturers' association, is a great start in getting the high school students to understand that there is an opportunity here in this area. So when you go to Penn State and you get your degree, you might want to be trying to intern at some of the local companies if, in fact, you want to come back to this area.

And one last thing I'll say about high technology or luring professionals into the area, many areas, Maryland's technology corridor for instance, where it's a professional's game basically, it's not the employer who gets to dictate the terms and conditions for an experienced professional. The professional can jump from company to company and literally increase 30 and 40 percent to a certain limit within his given professional area. But there are economic groups down in the technology corridor of Maryland that pay a bounty for people who will come into the area and live there for three or four years. Banks have been involved in this as well. Local banks, so a far-out thought might be to develop some type of pool that could be offered to professional individuals who would come and stay in the area for a given amount of years.

PETE BANKO: Thank you. John Rich?

JOHN RICH: Hi, how are you? We're working on this federal contract ... in a sense, we're looking to the feds and Tim Holden has been helpful in getting this first coal-to-oil plant in the country underwritten with a loan guarantee. We're just asking them to co-sign the mortgage.

But it's interesting to lure people ... it's funny you said that because of all the activity that's gone on far too long and it's unfortunate it's taken so long to get this thing, get this financing resolved and this plant built, but I've gotten tons of resumes and, in fact, we're looking at about a million man hours of engineering, and that type of expertise isn't here.

We're working with a German construction company because of this coal-to-liquid undertaking nationwide is really not just here, but this is the start of it. They're going to set up an office in Pennsylvania, probably Pittsburgh, but I just forwarded the resumes on to them and what they'll do, this is the type of activity that lures them now. The resumes we just went through, we combed through them. We forward it on to them. They'll start interviewing some of these people. They already hired six people and they're getting staffed up, but you're talking about a huge undertaking that pays really good wages, considering what we're used to in this area.

And it is, to a large degree, underpinned by the federal loan guarantee legislation that we asked for in the 2005 energy bill, but it's just that at the root of all of this industrial activity and potential for jobs is the resources we have here, and that's what Schuylkill County has beyond what you mentioned about the nice country and all those types of benefits. We have these huge resources that for all intents and purposes are untapped at this point. I mean, 100 to 200 years ago they were developed and it peaked 100 years ago.

I often wonder what it must have been like around here in the 1900-1910 time frame when the coal was still booming and was a huge influx of dollars and there was all this expertise and they built everything locally. I mean,

imagine what it was like.

But I think to a large degree that it can be revisited. Maybe it won't be in my lifetime, but maybe if the resources that we have available can be developed the way we're talking about developing them, 20 years from now it will be commonplace. It will be a whole different ballgame. And I think we can, I think we can, we're fostering that. We're investing in it. We've gotten great support locally and statewide and at the federal level.

It's just like with all of us in business, nothing goes fast, though. I mean, it's just the way it is. It's human nature that you run into these type of obstacles it seems, but I think it's a matter of just persevering and we do have a good work ethic here. We all know that. When you travel around the country and you listen and hear about how things go and some of the issues people are dealing with I think, we don't have those types of problems here. There is a strong ethic and it goes back, I'd like to take credit for it in the sense that it goes back to the coal industry and all of the people that came through this area finding their way to more prosperity throughout the country.

It's funny, 90 percent of the people you run into have roots back to the coal country. Think about it. You always run into the people, "Oh yeah, I have a grandmother, grandfather, ..." I had an interview with ABC News maybe a year ago and the gal that came up said, she said "My grandmother's from ... ever hear of a place called Lost Creek?" I'm up at the Gilberton office, I'm thinking 'Lost Creek? It's right over the hill here.' But she lives in the city and she works for ABC News and it's a whole different universe from where her grandparents kind of got rooted or established.

But this is our area, and it's nice that you're doing things like this and if we can continue to ramp up the story about the potential and continue to develop the resources we have and use the feds where we can and the state where we can, it's unlimited what can be done here and all the peripheral activity is out there.

Incidentally, we talked about this whole oil thing and we had done a study and we looked at if we produce liquids here. Forget John Rich or Gilberton, but if we produce liquids in this country at \$2 a gallon, which our production costs are less than that, for it to make more sense to buy it offshore crude oil has to be trading at about \$16 or \$17 a barrel for it to make more sense to buy off shore. Because we looked at all the economic benefits, the peripheral job activity and when we produce at \$2, and again our costs are lower than that, but if we produce at \$2, we're throwing another \$3.90 a gallon into the domestic economy if you compare it to oil at \$52 a barrel. We did a chart, but that's the kind of discrepancy that exists today that we can just change this around, all this kind of job and potential and resources can be taken advantage of here. But it's an interesting twist to the whole thing because we're so far out of sync with what could be done in terms of developing our own resources.

PETE BANKO: Thank you. Tom Twardzik?

TOM TWARDZIK: Well, I heard several times here, and there's no disagreement, we have a great work ethic. We have people that are very intelligent and willing to put their back into their work and I think great people will adapt and I think that's a key thing that we need to deal with.

I don't know what the 21st century jobs are. We took computers when I was in school 20 years ago, but I didn't know what they'd develop into and how they would be used and how pervasive and revolutionary that all would be, so I don't know what it's going to take to create or to adapt. I don't know what the new 21st century jobs are going to be. So it's kind of hard to imagine specific steps. We touched on them already — I think the schools being a very, very large part of that.

What can the schools do to prepare students from young ages to gain critical-thinking skills, to problem-solving, to working together? When we grew up, you didn't look at somebody else's paper, that was cheating. But now a lot of the education is about working in teams, you've got to work together because that is the working world. So critical-thinking skills, problem-solving, those things not only prepare somebody for work, but they're also things you can use in every aspect of your life and so I think that's an important thing for us to deal with.

We have a software company in the area that we do business with, those kind of opportunities do exist. Our manufacturing, Yuengling's manufacturing. I mean, that stuff has become more sophisticated. There are computers and servers involved. It's not just grease and balm anymore. So even in the manufacturing world, it's gotten more sophisticated, and so the skills there can be enhanced, and so there's job training that we provide right

on the job and one of the things that has helped us in the past few years we've taken great advantage of is the custom job training grants that have been available so we've been able to use that for maintenance training, logistics work. So we're learning things on the job as a company as well as the people that we hire to do the jobs that are developing and we're using these state and federal money for that so that's been a big help to us. And that, I think, is money behind training people once they're employed is a big help in our area converting to these jobs in the 21st century as they develop.

PETE BANKO: OK, thank you. I'm sure some of the answers for the second question will be at least partly repeatedly from the first question.

Here is the second question: The median age of Schuylkill County residents is 42.6 and the county population continues to decline. A common complaint from younger people is that they are forced to leave the area to find well-paying jobs. How do we keep younger people in the county. Mike?

MIKE HASHIN: Well, I see that the age that you quoted ... sometimes we're referred to as a geriatric county and that annoys me, but I guess facts are facts. But to keep the residents in the area, I often look at, what was it? I guess it was Channel 16 ran a special where they used Monroe County as an example. They showed busloads after

busloads of people traveling to New York City for those high-paying jobs, but then they keep coming back to the Poconos area. Because why? Lower-priced homes, lower taxes, school districts are blooming and blossoming up there.

Sometimes I wonder if we should let them travel for a job if need be, but retain them and have them here living in our area, paying our local taxes, buying our products and services. And I think that could be an approach to it rather than just using the one format, use this to lure them back to our area. And, like I said, there was an example when they showed all those busloads, whether it's financial people traveling to New York City or if it's just like you said, computer expertise or whatever, engineers. But they do travel, and why do they settle from New York? To get out of the city dilemma and live in Monroe County in the Poconos and use our four seasons for enjoyment and entertainment and lower living costs. So I think that can be addressed and that would be something I would suggest that people use that as a format.

PETE BANKO: Thank you. Martha?

MARTHA HERRON: Well, first of all I think we need to understand that there are good-paying jobs here as evidenced by the people around this table and the Fortune 100 companies that we have in Schuylkill County. I don't need to name them. I think the people here know who they are.

Second of all, I'd really like to do a survey of the younger people that have left Schuylkill County, let's say in the last two or three years. Where are they? What kind of jobs are they in? And how do they classify a well-paying job?

Third, I think we need to look at the facts, and here are some of the facts that I was able to find. According to the 2000 Census data for Schuylkill County, only 77.2 percent of the young adults have attained a high school diploma and, of that age group, only 10.7 obtained a bachelor's degree or higher. The need for residents to understand that the higher skill level, the higher the pay. We all know that in our jobs. We've had to keep up with technology and with the changes in our world to keep our jobs. So we need to educate youth in the commuting costs, in the safety statistics, in the quality of life opportunities in Schuylkill County.

Strong vocational-technical training is another avenue for training young and old alike to meet the workforce needs of the future whatever jobs they may be. But it's very important that young people understand skill levels reflect your pay scale.

And another initiative that we might want to look at is, do you want to come back to Schuylkill County? You get the degrees that we need, we'll offer you a scholarship if you say you'll stay in Schuylkill County for the next two or three years. And once they're here and in the job, then they may spawn other jobs or they may just move along in the job that they're currently.

PETE BANKO: Thank you. Bill?

BILL KIRWAN: I think Martha's been reading from my notes. She's exactly hit it right. It's not that there aren't good-paying jobs here, it's that the people think there aren't good-paying jobs here and we need to convince them otherwise.

I heard Jerry Petrole say he's hiring engineers from as far away as San Diego. That's crazy. We're sending engineering students to local colleges and then they go on to jobs other places. We need to keep them here. They need to understand that there are good-paying jobs here.

I would like to hire a four-year degree accountant, I just wish I could. I got a good resume last week, I called the fellow on Monday, he came in on Saturday, he didn't return my call until Tuesday and he said, "I'm sorry, I already have a job." I wish I could have talked to him before he did that, but there are some good people but just not enough of them and there are good-paying jobs here. And even if the job pays a little bit less, Martha's right, we have to educate the folks that that money goes a whole lot further here than it would if they were working in Philadelphia, New York. Thank you.

PETE BANKO: Thank you. Brad?

BRAD MILLER: Well, I fit into this in your younger Schuylkill Countian.

BILL KIRWAN: You're under that 42.6?

BRAD MILLER: I'm under.

BILL KIRWAN: Most of us can no longer claim that.

BRAD MILLER: But that's what makes this so intriguing to me. A lot of the comments, again, I would echo.

I think again we need to identify the opportunities. I was gone and the my first thing I said to my dad was, "See ya. I'll never live back here."

Because there's no opportunity, I thought. But being back here, there is, but I put the blinders on.

It's OK to let people get out as long as they know that there's always a place back at home. There's always things back here. Here's what going on: new developments, new business. So again, I think that identification, starting that early. ... there's a quality of life here.

Mike had brought up about the Poconos, people going from New York City to the Poconos. Well, I have friends and I've seen people that moved to the Lehigh Valley because New York has moved to the Poconos to the Lehigh Valley. Well, Lehigh Valley housing costs are sky-rocketing. They're moving west. So, you know, where are they going to move? We offer a lot of different things here with outdoors. Some new companies coming in would be a huge bonus.

You have people like Jerry who are hiring people from outside. How do you sell that to an engineer from San Diego to come to Schuylkill County, Pennsylvania? I mean, that's something that's probably difficult to do when you look down X's and O's of the dol

lars. How does your dollar go here versus, you know, one of the big cities. So I think that they're all different things that need to be addressed and we've been talking about that.

Well, now we take it to the next step. How do you do that? There's chamber of commerce, people are involved with the chamber of commerce, Schuylkill Young Professionals, which just had a meeting the other day. It's a networking tool, there's not a whole lot of people involved with it. So we need to identify with some of these business owners and get some of their employees involved in that so that we can spread the word, start at that level and kind of filter out so that we can bring people back to the area.

But again I think the best thing is having people know that there is a place here. Let them leave and let them come back to the quality of life that we offer here.

PETE BANKO: Thank you. James Miller?

JAMES MILLER: When people are saying they're forced to leave, I just don't believe that they're considering everything that it really costs them when they leave.

Sure, maybe the wages are 20 percent higher, but they're not considering that, hey, maybe the cost of living here ... housing's probably 50 percent of what it is away from here. We were just talking about the cost of just lots alone in Lehigh Valley, so again if you consider the cost of living, just look at the help wanted ads in your newspaper.

I mean there's a lot of good-paying jobs there and you know my kids were going to go away, too, but they ended up staying here and they got their education away but they came back. But I was there to show them the opportunity. Maybe some of them don't have someone there to show them the opportunity. But look at the Riches and Twardziks, and I wrote a couple of names here we worked for in just in the last year — Yuengling and Jeld-Wen, Pierrie Foods. There's a lot of very technical jobs there involved in these things that I think that maybe the plants are a little off the road and people just don't realize how technical and that there are good jobs there.

PETE BANK: Thank you. Jerry.

JERRY PETROLE: I think we have to pay a premium to bring professional people into the area and to kind of answer Brad's question: how do you get a guy from San Diego to come in here or a guy from Philadelphia? You have to be very creative.

We have the advantage of being a very entrepreneurial company and in the technology business it's not unusual to incentivize people to stay with warrants even some type of commission or royalty on a given job that you're involved in.

Most of our contracts either come directly from the federal government or from large federal subcontractors. Raytheon and Honeywell, in particular, are our partners. We've been partners with Honeywell for about going on nine years now, and when we do a project and we bid it for Honeywell, we have an engineering set aside that we bid into that project. Strictly it's a success bonus that we split up among the engineers who are on the project, who are on the team, and we also keep a little bit of it aside so we can distribute it across administration.

Now not every company can do that kind of thing and I'm very much a dictatorship. But we have to find ways to incentivize, to bring these people in and keep them in and it finally, it's natural for someone who grew up in Tamaqua, Pennsylvania, and graduated from Penn State to want to just get out of the area for a couple of years, experience, you know, the lights of the cities and all that, but it's amazing how many of those people want to come back.

My son's 30 years old and he just came back to work for me last year from Boston. Now, of course, having our first grandchild was a little bit of incentive. But the point is that there's different ways to incentivize these people by maybe changing the way we do business with our customers, bringing additional resources to incentivize them.

PETE BANKO: Thank you. John.

JOHN RICH: Going back, for example, we're pushing a billion dollars a day to buy transportation fuels, so we want to capture some of that and I'm saying in the process we're going to create jobs. What kind of jobs are we talking about, and what do they pay and what kind of benefits are associated with them? I'd like to talk in terms of jobs, job security and productivity. That's what really we're looking to stimulate by capturing some of this market for liquids. And if you look at that in reverse kind of productivity, there's this perception of productivity that in effect drives demand for workers and that drives job security and that of course is what jobs are all about, so there's a huge opportunity out there in terms of displacing some of the dollars with domestic labor that is going overseas.

Displacing that foreign oil and capturing that market here and that's going to create this big perception of opportunity, it is. We're getting applications, and not just getting engineering mentality or approach, but from all levels, from electricians, the pipe fitters and mechanics and right through the cross section.

But what I'm saying is that that perception of the potential of productivity, that implicitly implies to some people and to a large degree job security and that has a lot to do with when people want to go somewhere: Am I going to be moving? Is this something I can count on? Can I take out a mortgage? Am I going to put a garden in the backyard? And, you know, live a life here and put the kids here or do I have to think about where I have to go for the next job? We can create all of that type of intellectual satisfaction by taking advantage of what we got going here.

So I think that does a lot for bringing people in and it does a lot for fulfilling lives and what people want to achieve. We have that opportunity here, very much so.

PETE BANKO: Tom?

THOMAS TWARDZIK: Well, we do have an inferiority complex here in Schuylkill County. We think the worst.

I was traveling in San Diego years ago reading the Tribune and there were articles after the tech bubble burst where the people from Silicon Valley were distressed that they might have to travel and leave Silicon Valley because the jobs weren't there anymore and they might have to, heaven forbid, live in San Diego. I said, I'm reading this thing, I went to school in San Diego. You just can't make everybody happy.

You mentioned about the college graduation rates when we talk about the younger people here. Are we really talking about the broad spectrum of the unskilled all the way up to the college degree or beyond? A lot of kids are going to leave because that's what kids do. It's time to get out, see what the world has to offer and sew some oats and then they realize, hey, my money doesn't go as far out here as it does back home.

After a little while, maybe they're not so interested in doing the things that they're doing for those first couple of years. I mean, it sounds like a number of us who are rooted and established with families are saying this is a great place to raise a family. It is. And when you say that to a 21-year-old, they say, "Huh? So what?" Like insurance. I have insurance for you. I'm 21, I'm immortal.

I wonder what message we're trying to convey and what forces we're trying fight.

Some turnover's not bad. And letting your kids go out and find out what the world is offering because it's what they want to do, I think, is important. Now, why they could come back ... we've been talking about how do they know about the opportunities that exist? The opportunity is here for them and they can come back because they've reached a new level of maturity or stage of their life. How do they know that those opportunities are there and that kind of outreach and advertising from us the employers in the community is pretty important?

We've been able to attract people to the area. We've been lucky to get some recent college graduates. We've got jobs in marketing that's been attractive to them. We've attracted people from Allentown, Scranton area, Reading.

A person, recent hire, left a Fortune 500 company because they could make an impact in our little business. We're a headquarters, Mrs. T's in Shenandoah, that's where we are. So when somebody comes in, if they're getting a job of responsibility, they can make a real impact in our business because they're decision makers. That seemed to be a very attractive opportunity for people that are working outside of the area in a large company. They have not moved to Shenandoah, though. And I haven't gotten them to move to Schuylkill County. They either have established roots where they live already so they do the big commute. School districts are an issue, so they're not moving into the Shenandoah Valley School District. So those are the kind of things that we face from people on the outside looking in, so that's how they perceive us. Those are some of the perceptions and some of the things we have to deal with.

PETE BANKO: Thank you. The final question is: What economic initiatives or untapped resources hold the greatest promise for the future economic vitality of the region? Mike?

MIKE HASHIN: OK, before I answer that, I was just listening to this. I came into this room and I thought, "Oh, this is gonna be depressing, we don't have this, we don't have..."

This is very uplifting and it's encouraging. Jerry had mentioned about his relative, your son, you said he was coming back to the area. I have a daughter that's a physician and she went to Nativity and Albright and Hershey Medical and then she was debating. Hershey offered her something to stay there and, "Dad, what should I do?" And I said "Well, come back to the area." I think the local people would love to see you providing a service for them. She's quite successful and she feels like she's done something great and I think that if we encourage that ourselves, maybe it's only small numbers, but maybe we can reverse that trend.

But getting to this question here, I thought there was a very wise and very successful and elderly man, 92 years old, who told me he was a businessman and he always said that this area has two of the greatest resources and I said, "Joe, what are they?" He said a good abundance of natural resources and a good work ethic. He says the employees here are loyal.

And I always remember him saying that, so when I saw this question I was thinking of that and when you say like Shenandoah and Minersville and Gilberton or whatever, I mean the eastern European our ancestors came from. I remember my old baba telling me — "baba" is a grandmother for you people that don't know — she told of how they came into Ellis Island and they had a name tag and they were going to get sent back up to the

Minersville/Shenandoah area and they're employment was right in the coal mines. Everybody worked in the coal mines. My grandfather he passed away at 40 years old from black lung, but the safeties weren't there that there are now. But I think that we do hold these resources here and, of course, there's a work ethic that is just not comparable to other areas. That, I think, would be my answer to that question.

PETE BANKO: Thank you. Martha?

MARTHA HERRON: Well, when you talk about economic initiatives, when you talk about where the dollars are coming in, you look at on a state level and there's 110 initiatives at the state level. Is that too complicated? Do we need to take a look at that and see how does Schuylkill County benefit from 110 state economic initiatives?

I believe that the greatest promise for America, the world, for Schuylkill County, is its people. It's got to be its people. And we've got a lot of untapped resources. We just don't know where they are. We need to find that out.

When I think about 21st Century jobs, I think Penn State and their logistics programs. It's not distribution. And we have to re-educate not just our generation, but the generation coming.

So the answer to the question is people, and we've got to get good people — the young, the old and the in between.

PETE BANKO: Thank you. Bill?

BILL KIRWAN: Thank you. I think our economic development organizations and our local government have done a pretty good job of promoting our area and bringing businesses to our area. We need to continue in that light.

We need to focus on manufacturing. They bring better-paying jobs. And we need our business advocacy organizations to work with our legislators and Harrisburg primarily, although some out of Washington, too, to eliminate some of the onerous tax problems we have in Pennsylvania. It's a terrible, terrible place to do business tax-wise and it's a terrible place to do business in some of the other regulatory areas, too. Work comp ... it's a difficult state for work comp. We can use some reform there.

I think if we can do some more of that at the state level, our good economic development people who already have here at the county can do an even better job of bringing business to our area.

PETE BANKO: Thank you. Brad?

BRAD MILLER: I've given this a lot of thought and you know, I'm in the "me" generation. What's in it for me? So I've not been in the position where I've really sat down and OK, what are some of the initiatives around? I don't really know.

What I do know is that, yes, people spread the word and business owners who are in that position to expand or look at government contracts or look at new business coming into the area. I think they're the resources that need to be followed up on or tapped into, and really it's just spread the word from old to young.

And again identifying those opportunities and identifying what else is out there what things could be take a harder look at. That's really my insight to it.

PETE BANKO: Thank you. James?

JAMES MILLER: Economic initiatives, I agree there's 110. There's plenty out there, so I don't know how we can improve on that.

And untapped resources and creating jobs hold the greatest promise. I think it's personal responsibility and creating local opportunities. I think we just have a personal responsibility to educate ourself and not sit back and expect somebody else to do it.

PETE BANKO: Thank you. Jerry?

JERRY PETROLE: Believe it or not, we're sitting on a gold mine in Schuylkill County and I'm not going to steal any of John's thunder, but there's a 250-year reserve of anthracite coal and, for all the reasons that John had mentioned before, we could become a small Saudi Arabia if this is worked right.

Let me just say something about coal that I'm sure you may or may not know. Every aircraft build today and all aircraft built after 2020 will have a larger and larger component of carbon fiber. Penn State's nanotechnology group is now figuring ways to use high-grade anthracite to spin that fiber. Just an unbelievable opportunity unto itself for the coal industry, but that's something I'm studying and I don't know too much about it.

There is an untapped resource that I think you all know about, but I want to mention it again. Federally, all of Schuylkill County is designated as a "HUB zone." It's not exactly a badge of pride — Historically Underutilized Business zone.

Since coal was king 100 years ago, we've gone downhill. So the good news is, a HUB zone makes every business in Schuylkill County eligible for 3 percent of all of the federal dollars spent on contracts. The Department of Defense spends a trillion dollars, that's what's published. Three percent of it has to, by law, go to HUB zones. That's not a company, that's not minority-owned company, that's Schuylkill County. So there's a reason in and of itself to spawn companies. There's not one of us in this room, whether it's home products, truckloads of beer, accounting services

or energy services that can't sell to the federal government if they have quality and they get certified as a HUB zone. It's rather easy.

Thirty-five percent of your workforce must reside in the HUB zone. So, a reason to bring people into Schuylkill County ... this is an incredible untapped resource. I mean, there's been some initiatives to get it going, but anyone who has any entrepreneurial blood in their veins should start right here and regardless of what they're trying to sell, try to get into the federal government, get certified under the central contractor's registry, find out what your North American standard codes are for your particular products and then look at 10,000 solicitations a day and get your business off the ground. HUB zone, untapped resource.

PETE BANKO: Thank you. John?

JOHN RICH: Interesting. You know that whole carbon fiber thing's interesting, too, because in terms of reducing our dependence on oil, they talked about composite vehicles and reducing the weight. There's only a couple of things that can be done — reduce the weight, reduce the friction between the tire and the road and carbon fiber is a way of getting the weight down.

The carbon fiber in the aircraft is, like you said, coming. But the funny thing is we're working with the Air Force in producing jet fuel. The material we're not going to ship to the state we're gonna ship to the DOD and it's going to go into the turbine because it's such a superior product.

But that's not the question. The question is, what untapped resources do we have? And what we have here really is, at the heart of this whole technology, is gasification. It's just a large static vessel where oxygen's introduced and carbon's introduced.

All this carbon we have here, it's not coal in the conventional sense. It's feed stock. Introduce the carbon, introduce the oxygen and you end up with hydrogen and carbon monoxide and what we've been saying is, you can burn that as is. It's like a very superior synthesis gas, cleaner than methane or natural gas and you can make electricity. You can do like Eastern Chemical, you can make all sorts of chemical feed stocks and South Africa they make 150 different products from the syn gas.

But what we've been saying is we ought to displace this foreign oil, that's where the opportunity is. Take the syn gas and turn it into a liquid. So it's that development of the gasifier and gasification's been around for over 100 years but it's the way this gasifier works. All the carbon is micronized and pumped in there so all sizes become candidates, you don't need a discrete particle size, so that influences the front-end engineering tremendously.

But here's really the other thing that we have — you need a design point for any plan, but we'll ween ourselves off the coal to go to biomass like the refuse material from your process or all of the reject material that we plow in the landfills are really hydrocarbons and they're all candidates for gasification. So we have the coal to design around, we have waste coal which is on the surface which is easy to access and then, over time, we displace the coal with biomass and we become CO2 neutral. So in effect, with the gasification-based approach to making any downstream product, we're environmentally benign.

If we tie that into the concepts you're talking about, we're actually reducing the CO2 loading to the atmosphere and refiners can't do that. Refiners can't mix their feed stocks and run it through a column and end up with gasoline. Refiners can't, they could, I guess, put a big huge astrodome over refinery and capture all the off gases and try to concentrate out the CO2. That would make us more competitive. But they can't do anything about it, it's not even possible for them to address the CO2 issue. The yield of CO2 from petroleum is equal or maybe a little bit less than for coal-to-liquids, but there's nothing they can do about addressing it. This is really a vehicle through which to take advantage of all this resource, biomass, the fixed carbon we have on the surface and underground and create all sorts of economic opportunity, because the dollars otherwise are going over to the offshore suppliers. Makes no sense. It needs to be expedited. That's where the feds come in again.

You know, we're competing with the Chinese right now. They're funded from the top down, so they have a mandate to build these facilities and develop these alternatives to importing oil over there and they're going around trying to figure out the best way to do it, including meeting with us. Picking people's brains, figuring out what's the best approach to do this or the best device to get to a result. Whereas, in our country it's a free enterprise. We try to work this story up from the bottom, get people interested and stimulate investment and build and finance projects like this, so it's a different approach. It takes them more time, but they are very competitive, I mean, they're a competitive factor right now and we'll be and continue to be but we need to expedite this in every way possible. That's our untapped resource, technology.

PETE BANKO: Thank you. Tom Twardzik to wrap it up for us.

THOMAS TWARDZIK: I think the industrial development that the CANDO (Greater Hazleton CAN DO) has done and that SEDCO's been able to do with Highridge are very important to us, and I think those are big successes and I think those are untapped in the sense that I don't know if people realize just how many jobs there are in those two sites. There are thousands of jobs. It's really significant economically.

I would like to see a less expensive state government. The way I look at it is for all the expenses the state government ratchets up, it comes through taxes, and taxes are oppressive to most businesses and individuals. And so as long as there's that kind of damper effect on economic initiative, I think it's a problem for the area.

The state I would like to see stop acting like the biggest charity, amassing all this money, skimming a bunch off the top for themselves and then redistributing it to the causes they deem worthy. I think the money needs to be in

private hands, as individuals and businesses, and that's the greatest opportunity for economic impact.

I'd like to see money into blighted areas. An untapped resource is areas that have, we've been around a long time and a lot of things have existed and been left behind because now they're dirty — ground fill and coal industry as an example. We didn't know better.

You'll learn as time goes on that there may be better different ways of doing it ... well had we known, we'd have done things differently. I liken it to going camping. You use your site, you leave everything there when it gets dirty and you move on to another site. That's not sound practice as far as development goes. So we spend all this time developing new areas but then we're just leaving old areas behind and because they're the sins of our past and they develop over a long time, you're just not going to be able to come back and penalize anybody. So you need, I think as a community, you say, all right, we can address blighted areas in a systematic way and start applying funds to it to get it repaired and back into usable space. That's a long-term initiative.



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