

## **Policy Committee Event in 130<sup>th</sup> District with Rep. Maloney**

**EVENT:** Hearing - Job Creation in Pennsylvania

**DATE:** August 21, 2012

**TIME:** 10:00 AM – Noon

**PLACE:** Exeter Community Library, 4569 Prestwick Rd., Reading, PA 19606

### **REMARKS OF DAVID HOPE, VP & CFO, AMERICAN CRANE & EQUIPMENT CORPORATION**

I am David Hope, Vice President and CFO of American Crane & Equipment Corporation.

American Crane & Equipment Corporation is headquartered in Douglassville, Amity Township, Berks County. It has an office building, which is the corporate headquarters, and 110,000 square feet of manufacturing space. In addition, there is a 20,000 square foot building on Ben Franklin Highway in Douglass Township, Berks, which houses American Crane's Service and Parts Department. The company has another 100,000 square foot leased manufacturing facility in Pennsylvania just off I 95.

The company, founded in 1972, designs, manufactures, and installs custom electric overhead cranes and other material handling equipment, mostly for the nuclear and aerospace industries. The majority of the single failure proof, spent fuel handling cranes for nuclear generating plants in the United States were built by American Crane, which holds the patent on the vertical transfer of spent fuel from wet storage to dry cask storage. American Crane's patented SAF LIFT system is single failure proof, i.e., no single failure, including a cable break, will cause a load of nuclear fuel to drop. Other patented systems, such as our SAF WATCH, prevent internal failures on the cranes.

We also do a substantial amount of defense work, especially for the Navy.

Most of the launch cranes at Cape Canaveral are built by American Crane. We also designed, manufactured, and installed the material handling system for an aircraft manufacturer in South Carolina, and we are making the material handling systems for two tire manufacturing plants in South Carolina. We are working on the material handling systems for other aircraft manufacturing plants.

American Crane is one of the few manufacturers approved to build explosion proof jib cranes for oil rigs in Saudi Arabia. In other words, we bring petro dollars back to Berks County. At the other end of the world, we have a team working on oil industry cranes on the North Slope of Alaska, and have even built cranes at the request of the US Government for a Russian MIRV warhead storage facility in a closed city in Russia.

We make bridge travelers – the self propelled work platforms that run on overhead rails on the underside of certain large suspension bridges. We've made replacement bridge travelers for the Tacoma Narrows bridge in Washington, the Mackinac Bridge in Michigan, and the Mid Hudson and Brooklyn Bridges in New York.

Our service crews work during outages in nuclear plants throughout the country, where they enter the containment area and service the cranes.

We are also a distributor for Columbus-McKinnon, which makes small hoists and other material handling items. You may have seen our billboard ads along Route 422.

We have steadily added to our work force throughout the recession. Many of our people are engineers. Most of the others are skilled service technicians and crane builders. We believe that the work force in Pennsylvania, and especially in Representative Maloney's 130<sup>th</sup> District, is second to none. Many of our employees are related and include second generation family members, fathers and sons, mothers and daughters, and brothers. We provide the best health care insurance we can afford (\$5.50 per employee hour) and pay competitive wages. Good pay, good benefits, and fairness and respect are what attracts the kind of work force we want.

The quality and compliance with US regulations we offer can't be outsourced to low wage countries.

Much of our business comes from government regulations – the Nuclear Regulatory Commission, the Department of Energy, OSHA, the EPA, and other federal and state bodies. When a regulation is changed, it may require modifications and updates to material handling systems. Many of our customers are heavily regulated. Most of our customers are in the private sector, but some receive significant public funding. We don't like high taxes any more than anyone else, but we do understand the need to pay our fair share.

Two things that would be helpful to us and other Pennsylvania manufacturers are (1) a tax structure that rewards investment in facilities and equipment and (2) predictability. Businesses have to have plans that extend over multiple years. Dysfunctional governments that can't pass budgets or that fight over budgets until deadlines pass hurt business and discourage new hiring. Sensible legislators who work across party lines and negotiate reasonable solutions are helpful to business growth and new hiring. That's how we run our businesses, and it would be appreciated if our legislators did the same.