

“Economic Development in Northwestern Pennsylvania”
PA House Majority Policy Committee Hearing
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Tony Kaper

Hello, my name is Tony Kaper and I’m Vice President of Hall Technical Services. I’d like to take a moment to thank Rod Wilt, Penn Northwest, and the PA House Majority Policy committee for inviting us to speak about economic development in Northwest Pa, especially in Mercer County.

Hall Technical Services provides aviation support services and products throughout the United States and across the world. The parent company Hall Industries Inc has been operating in western Pennsylvania since 1966. We recently invested in the former Cooper Bessemer facility in Grove City, Pa to expand our operation to include heavy fabrication. Penn Northwest was a vital partner in providing us with the support, financial and technical, to achieve this goal. I wish to share some of the successes we had and challenges we still face today.

PEDA, WEDnet, PA First grants are all important programs that the Commonwealth has at its disposal that helped us overcome some of the challenges of operating in a new location and staffing a new workforce. We appreciate Brent Vernon, and Kim Thomas, from the Governors Action Team, for their effort and support in getting us into these programs for the state to assist us in this new endeavor.

As is the case with many employers, we are still facing a shortage of candidates to train and hire. I’m going to illustrate a few challenges I think we face, and I believe impact all businesses in our region.

Currently we are facing a loss of population across our entire rural region. I believe this is for many reasons but will highlight a few I've heard from employees, employers, or candidates. First our medical system is being shuttered and moved to more populated regions. Young couples who plan on parenting children desire to be near top-level care for themselves and their children. We have lost all but 1 option, for birthing children in all of Mercer County. Furthermore, we lack specialty medicine and top-quality care compared to the bigger urban markets. We also continue to struggle with having access to high-speed internet in our region. Today we have seen the need to have the ability to work from home or attend classes remotely more than ever before. I believe the divide will continue to grow without a substantial investment in a high-speed network that all have access to and can approach gigabit speeds. We have a lack of natural gas connectivity in our rural areas, housing shortages, and even destinations for young people to enjoy. We as a collective community will continue to work, to the best of our ability, to address these issues in our communities, but would benefit tremendously from pro-business and pro-commerce agendas and funding at the state level.

Obviously as a manufacturing company, Hall Industries suffers from the constant shortages of technical talent. We are fortunate to find a wealth of mechanical, structural, and electrical engineers as well as accountants and business management candidates, but we struggle to find machinists, welders, and other tradesmen. Today the focus has never been larger on developing the next generation of tradesmen, but we need to do more and faster to entice the next generation of talent. We also need to end the senseless welfare programs that keep able bodied folks out of the workforce. We need to get these people into programs that can teach them a

trade and get them into the marketplace. Lastly when an area suffers a business closure, I feel it's important that the Commonwealth partners with area businesses to relocate these employees. There should be a program that allows the Commonwealth to give businesses grants to cover the on boarding of displaced employees. This would serve (2) purposes. The first is to keep these employees working, we believe that it's easier to keep someone working vs exiting and entering the job market. The second is it would allow businesses to use the grant money to aggressively grow their business to provide jobs for these newly hired employees. It would be hard for any employer to absorb 20-30 employees overnight but easily could if they were given the financial incentive to do so. We could take work below our normal cost structure if the employee was subsidized which would allow us to grow, profit, and reinvest. In closing the recent events with this pandemic have illustrated why as a nation and region its important we maintain "MADE IN AMERICA" for future generations. We have lost our independence to produce many things for ourselves and that is a dangerous place to leave our children and other future generations.

I thank everyone for giving me a chance to speak today and help shape our regions solutions to these and other issues.