

### PA House of Representatives Republican Policy Committee

128, Main Capitol Building Harrisburg, PA 17120 (717) 260-6144

> **Rep. Joshua D. Kail** Chairman

# PA House Republican Policy Committee Hearing "Pennsylvania Made – Discussing Innovative Ways to Propel Our Manufacturing Opportunities"

January 27, 2023 at Noon

South Park Township Community Building 2575 Brownsville Rd. South Park, PA 15129

12:00 p.m.	Welcome and Pledge of Allegiance		
12:15 p.m.	<b>Norm Candelore</b> Vice President of Vendor Relations, Sarris Candies		
12:35 p.m.	<b>Yemi Akinkugbe</b> Chief Excellence Officer, CNX Resources Corporation		
12:55 p.m.	Mark Shelleby Treasurer, Vista Metals, Inc.		
1:15 p.m.	<b>Christopher J. Masciantonio</b> General Manager, State Government Affairs, United States Steel Corporation		
1:35 p.m.	Questions for the Panel		
1:50 p.m.	Final Comments and Conclusion		



#### **Testifier Biographies**

PA House of Representatives Policy Committee Hearing "Pennsylvania Made – Discussing Innovative Ways to Propel Our Manufacturing Opportunities"



## Norman R Candelore Jr. Vice President, Vendor Relations Sarris Candies, Inc.

Norman Candelore graduated from Elizabeth Forward High School in 1975. Norman continued his education at West Liberty University where he earned his 4 year Bachelor of Science Degree in Business Administration, Norman graduated from West Liberty University in 1979.

Norman joined Sarris Candies, Inc. in 1982 as sub-contractor working in their IT Department along with his Dad. While working in the IT areas he established key relationships with Sarris Vendors to grow the Sarris Candies, Inc. Vendor/ Retail business. In 2005 Norman became a full-time employee as Retail Operations Manager at Sarris Candies, Inc. In 2022 Norm was promoted to Vice President Vendor Relations.

As the Vice President Vendor Relations Norman has developed a team of 55 hardworking dedicated individuals. With Norman's continued positive assistance and direction these individuals handle over 1,300 Sarris Candies locations.

In addition to Norman's management responsibilities he works to promote and support the Sarris Candies fundraising operations along with supporting and managing the IT Department.

Norm is known as the Areas Favorite Candy Man!

#### Olayemi Akinkugbe Chief Excellence Officer CNX Resources Corporation

Olayemi Akinkugbe has served as the Chief Excellence Officer of CNX Resources Corporation since July 30, 2019.

Prior to assuming this role, Mr. Akinkugbe served as Director Virginia Operations at CNX, a role he assumed in July 2018. Mr. Akinkugbe served as Director Business Development from September 2017 through July 2018, General Manager - Planning and Petroleum Reserves from February 2014 through September 2017, and served in various other positions, including with the Engineering Department, throughout his tenure at CNX, which started in 2003.



Mr. Akinkugbe holds an undergraduate degree in mineral engineering, a master's degree in engineering with a specialty in rock mechanics from West Virginia University, and an M.B.A. from Carnegie Mellon University's Tepper School of Business.



#### Mark Shelleby Treasurer and Officer Vista Metals, Inc.

Born in Pittsburgh, Pennsylvania, Mark has remained in, and enjoyed, the rich history that is Pittsburgh. He is a true Yinzer!

Upon graduation from the University of Clarion with a degree in Accounting, Mark obtained his CPA certificate and began his career as a public accountant at Bates, Barksdale, and Ickert (BBI) in 1984. After his tenure as a Compliance Officer for Fidelity Savings Bank, Mark made the transition to Vista Metals in June 1991. After a successful term as the Comptroller for Vista Metals, Mark was promoted to the role of Treasurer/Officer for the family-owned manufacturing company.

Outside of his corporate life, Mark enjoys spending time with his wife of 37 years, and their son and daughter. Other hobbies include hunting, fishing, and the joy of experiencing live music.



#### Norm Candelore – Vice President of Vendor Relations, Sarris Candies

Sarris Candies was founded and started by Frank Sarris in 1960. Frank was a kind and giving person. In fact, given the chance to meet him, the conversation would end, and he'd know more about you than you'd know about him. He loved people and respected people, especially those who worked for him. He helped so many! His son Bill took over the business in the mid 70's and the business has never stopped growing. We went from a small showroom to a city block long building employing over 400 great dedicated workers. Recently, we announced the purchase of a 100,000 square foot building costing over 10 million dollars. Having this new expansion, we will need an additional 100 employees, and this will be a production facility to help us support the demands that we now have added to our daily production. Sarris Candies also purchased Gardner's Candies in 1997 located in Tyrone, PA. There, we employ 85 candy makers that produce the Original Peanut Butter Meltaway.

Today, Sarris Candies is ranked top 10, #6 to be exact, in producing chocolate covered salted items. It is an amazing family-owned business with no outside investors, all Sarris. Annual sales are now approaching 40 million per year.

Sarris Candies is all about helping others, especially the counties that surround us. Sarris Candies are huge supporters of the UPMC Kidney Transplant Center, MS Foundation, Phipps Conservatory, Pittsburgh Aviary, and the Athena Café. Furthermore, a great show of local support occurred when Mr. Sarris funded and purchased the Canonsburg Library. This saved the library from closing, and today it is named the Frank Sarris Library in his honor. Thanks to Mr. Sarris the library has all the modern technologies and resources needed to be used by hundreds daily. Every time a person purchases a Sarris Candies, it is a guarantee that a percentage of the purchase is going to a charity or a cause.

At Sarris Candies we don't have jobs, we don't offer the standard punch in/punch out jobs, WE OFFER CAREERS. We train our people, but we also advance all our employees first. When there is chance to move up, those working get first chance. Pittsburgh is still a city of hard-working dedicated people, and these are the people that we hire and trust every day to produce, package, and ship our products. We produce on average 50,000 to 70,000 thousand pounds of chocolate per day. Yes, Sarris Candies chocolate is our recipe and our BRAND. We offer all the extras, full medical, vacation days, 401 K, retirement programs, cars, and allowances. We are the real deal. Great careers for those that are interested in trade talents.

Pennsylvania has a lot to offer, and the understanding that jobs vs taxes, or more taxes, is not addressed properly. It is very simple, if our commonwealth needs more tax dollars, burying the businesses is not the answer. Allowing the businesses tax controls where we can offer additional jobs would increase PA tax income tremendously. More jobs, means more dollars for everyone. I ask that you put programs together where hiring more people would allow increased business tax breaks. As a business owner and manager, we often think of PA as the enemy, and we don't feel the mutual respect that we should have for each other. We understand that money is needed, taxes are needed, but with more people working, more

dollars are shared, and thus more tax dollars are collected for PA. Instead of empty mills and business industrial parks, we need to make PA and our regions more attractive for possible business development to happen. We close the door before any opportunity has a chance. It is very expensive to do business in PA, and other states are similar, but maybe it is time for PA to stop being like everyone else and do things differently. Leaders' vs followers! Maybe a campaign that promotes bringing businesses to PA. We still have the water ways, trains, and many new highways, maybe it time to use today's technology to get back to basics. Maybe we need a campaign that promotes "WHY PA" and not what we currently have that brings no interest at all. PA leadership are enablers, and we want to protect everyone. It is time to get to work and time for people to want to get to work. Waking up with a purpose is very important to everyone, and this is why I mentioned Careers and not just a job. Everyone wants to be successful, have a purpose, be needed, so let's build a new way of thinking and cause some career excitement. More business development and more working will create all the money that PA needs to operate, and everyone will share the cost while receiving the benefits and resources we all need.



#### January 27, 2023

Testimony submitted on behalf of Olayemi Akinkugbe, Chief Excellence Officer, CNX Resources Corp. before the Pennsylvania House Republican Policy Committee:

### "Pennsylvania Made" – Innovative Ways to Propel Manufacturing Opportunities in the Commonwealth

Good afternoon, Representatives Kail, Kuzma, and distinguished members of the Pennsylvania House Policy Committee. My name is Yemi Akinkugbe, Chief Excellence Officer at CNX Resources, where I have the privilege of helping to develop one of Pennsylvania's most strategic assets: abundant, low-emission natural gas.

Thank you for hosting today's hearing and bringing attention to the important topic of attracting and expanding manufacturing across the Commonwealth.

It's undeniable how Appalachia natural gas and affordable energy has unlocked a new era of manufacturing job-creation and growth. There's evidence of that across the state. In fact, just this week a <u>commercial real estate firm</u> estimated manufacturing investments in the region have topped \$100 million, primarily driven by access to abundant low cost natural gas in the Marcellus and Utica formation.

For our company, which has roots in this region more than 150-years deep, it's been incredible to watch unfold – and we're proud to be a key leader in making it happen.

Our business has evolved with the strengths and needs of this proud region through a knack for innovation and a thirst for continuous improvement. That spirit is what's driven CNX to go above the status quo and explore new ways we can leverage abundant natural gas and its many applications – one of many, of course, being manufacturing.

Appalachian manufacturing, in fact, is cornerstone to our recently announced, long-term strategic vision to invest, grow and strengthen our communities. We believe in an <u>Appalachia First</u> vision – one that's focused on producing natural gas locally and using it locally.

Appalachia First guides the decision-making behind every investment, position, partnership, and MOU that we pursue.

Core to this vision are vertical market expansion plans that transform traditional manufacturing and industrial processes through local natural gas applications. We believe natural gas helps fast-track the implementation of new technologies and alternative fuel sources, including serving as a pathway to jumpstarting the energy of the future.

By nature, natural gas and associated natural gas liquids have the chemical makeup and constituencies to serve as both a reliable, affordable fuel and heating source as well as a low-cost manufacturing feedstock. At CNX, leveraging proprietary technology developed by our team of talented, innovative engineers with the goal of building this equipment in Appalachia, we are developing the capabilities to transform the sectors of aviation, plastics, rail, cargo, mass transit, trucking, and fleet and passenger vehicles by displacing higher carbon intense fuels with low emission natural gas, compressed natural gas (CNG) and liquefied natural gas (LNG).

From our beginnings to now helping lead the industry in natural gas development and emerging lower emission ventures and microturbines, CNX has embraced the role as a regional innovator driving Appalachia's socio-economic revitalization through local talent, homegrown energy, and breakthrough technologies.

These Appalachia First-identified priorities are embodied by the recent expansion and new developments underway at the Pittsburgh International Airport (PIT). Last summer, we entered into a second phase of our ongoing partnership that envisions a sustainable fuel hub at the Neighborhood 91 area through development of the Utica shale on airport property, which yields a dry gas that is more easily converted into LNG and CNG alternative fuels, as well as hydrogen.

Or, look to our partnership with <u>Newlight Technologies</u> that, utilizing waste methane from activity across Appalachia, is manufacturing biodegradable, all-natural alternative plastic products. While the first facility is slated for Hannibal, Ohio, Newlight's market entry has kickstarted plans for this type of innovative manufacturing development across the Appalachia – including Pennsylvania.

Now, as you can see, there's no shortage of innovative technologies or processes we're exploring to find new ways to develop and use the abundance of local natural gas. For those interested in learning more about the work CNX is doing, I invite you to visit our <u>Positive Energy Hub</u> for news and information about the ways we're catalyzing a new tomorrow for the people of Appalachia.

Thank you again for allowing me to speak about the unique role CNX plays – and will continue to play – in driving new and improved manufacturing opportunities to our region. I look forward to answering any questions and furthering the dialogue around ways we can leverage Appalachian natural gas for the betterment of our economy, environment, and workforce.

Sincerely,

Yemi Akinkugbe CNX Resources Corp. My name is Mark Shelleby. I am the Treasurer and an Officer of Vista Metals, Inc. based in McKeesport Pennsylvania. Vista Metals is enjoying its' 54<sup>th</sup> year in business and is a second-generation family owned manufacturing company. We have 120 employees and currently generate \$25 to \$30 million in annual sales. The customer foot-print for Vista Metals is worldwide with more than 20% of our sales being international in countries such as United Kingdom, Germany, Brazil, Mexico, Canada and others.

Vista Metals manufactures cemented tungsten carbide preforms. Tungsten carbide is a powder metallurgy that once sintered becomes the second hardest substance to diamonds. Our tungsten preform is a semi-finished tool sold to grinding, fabricating and other manufacturers that utilize the tooling to mass-producing end use consumer and other products.

Vista Metals supplies a wide variety of industries. We are one of the world leaders in supplying tooling to the rapidly growing market for aluminum food and beverage cans. The aluminum can container has exploded since the pandemic and is continuing to add production capacity worldwide. The aluminum can container has become a preferred container to glass or plastic due many benefits the container can offer. The aluminum can cost less to make than other materials, can be more efficiently shipped and stored than other containers, and most importantly is highly sustainable with up to 75% of the aluminum can containing recycled aluminum. Other industries and applications we supply include down-hole oil and gas industry, automotive tooling, fastener (nuts, bolts, nails, etc.) industry, roof tiles, EDM blocks, tube and piping rolls, cutters and slitters for abrasive and high wear materials, and a variety of miscellaneous tooling used to manufacture end use consumer consumables. Vista Metals is proud to be a long term and preferred supplier to our customers.

Vista Metals has a fully diversified family of employees including gender, race and age. We take great pride, as do many manufacturers, in providing a long term, rewarding, family sustaining, manufacturing career for our employees. We offer a very competitive wage package and have a strong package of benefits that include medical, vision and dental coverage, 401k benefit including an employer match, profit sharing contribution, life insurance, short-term and long-term disability coverage, and paid time off package.

Even after 54 years of manufacturing tungsten carbide at Vista Metals, we continue to evolve and innovate our processes. A recent series of employee-motivated innovations will further allow us to be a world leader in the can container industry. One of the primary tungsten carbide tools used to produce the aluminum can is manufactured on a vertical lathe. The legacy vertical lathe in our industry has a large footprint and can be cumbersome in preparing and finishing large products such as the body maker punch used for can tooling. One of our employees fully designed and engineered a small footprint, ergonomically preferred, vertical lathe for use of machining our high volume body maker punches. Another team of our employees incorporated custom designed tooling and custom programming to be used on the in-house engineered vertical lathe to dramatically improve the machining process for the same body maker punches. The innovation and creativity of our employees is exciting for our employees and permits us to continue to evolve and keep us a world leader in a global economy.

Manufactured products range from the car we drive to work in, the components we use in our work environment, the tooling used to build the house we go home to everyday, the tables and food preparation ware for our family evening meals, to the bed and bedrooms we finally get to rest at night. Manufacturing has an extensive multiplier effect through our economy in providing jobs from

production of the raw material down-stream through the value added supply chain, to the retail outlet for the end use consumable products.

I provide the background of our company to highlight the fact that manufacturing remains a necessary part of our communities, our economy, and our ability to evolve and compete in a global economy. Manufacturing has come a long way from the industrial revolution environment of a smog-filled skyline and a dark and dirty work environment. Manufacturing has evolved to become a worker friendly and environmentally conscious work place that leverages the use of technology and innovation throughout the manufacturing processes to continue as leaders in the global economy. Today's manufacturing remains as relevant to our core as it ever did and provides an exciting career opportunity for our communities.

One of the most significant hurdles we continue to face is the hiring of new employees to grow our work force to support our needs. The hurdle begins with lack of awareness in our communities of the potential that a manufacturing career can provide. Manufacturing requires a full array of skill sets to support the functions necessary to take an end product from the pure idea phase to the holding of a tangible product at the end of the process. Manufacturing provides careers from semi-skilled to skilled to technical to administrative. The careers are rewarding, as we can all be a meaningful component of the innovation process that is manufacturing.

Manufacturers continue to advertise and reach out to the community about the careers we can provide and our hiring needs. However, the communities and our school systems are not aware of or promoting the benefits of a manufacturing career. Manufacturing and our economy would benefit from policies that support our business needs and models. Manufacturing and our economy would benefit from policies that bring awareness of manufacturing into the school systems. Manufacturing and our economy would benefit from policies that support school administrators in promoting the skill sets and needs of the manufacturing industry. Manufacturing and our economy would benefit in promoting manufacturing to parents in the community that are the persons closest to students in supporting and making their career decisions. Manufacturing and our economy would benefit from policies for communities that inform and teach the innovation and rewarding careers being created in the manufacturing industry.

I and the Vista Metals employees are passionate about the work we complete in McKeesport Pennsylvania and encourage the GOP Policy Caucus to support public policy that will promote our younger generations to pursue a rewarding career in manufacturing. Our economy will continue to be self-sustaining, vibrant, and world leading the more manufacturing is permitted the opportunity to continue to provide innovation, careers, multiplier effects and products to our communities. Thank you for your time to listen to the manufacturing story and I (and the manufacturing community) are always available to discuss our ideas and your ideas to further the cause for benefit of our economy and our communities.



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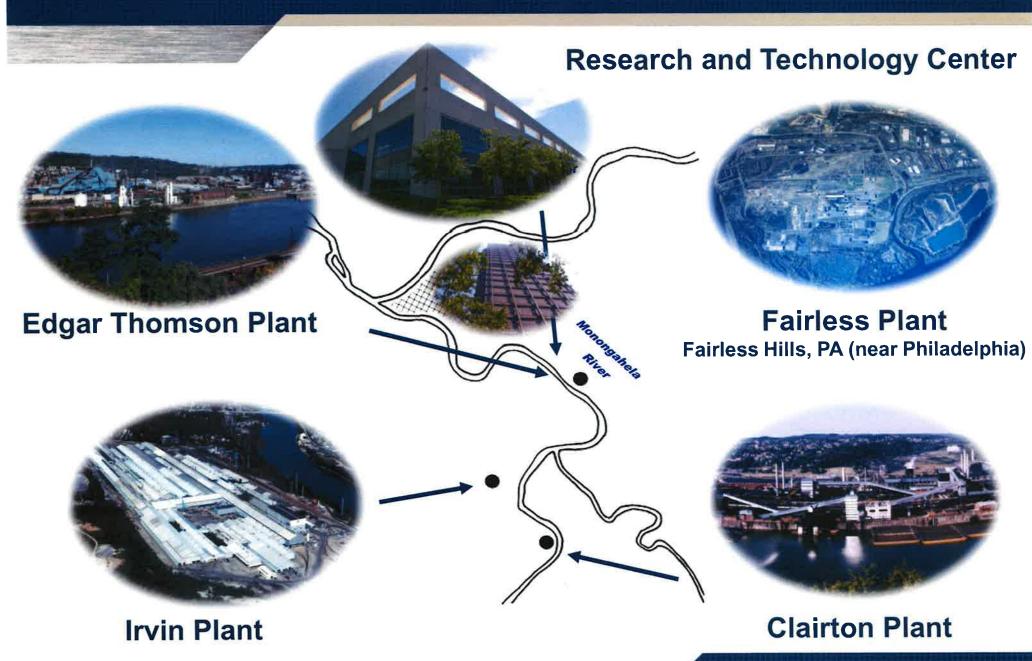
Manufacturing in the Commonwealth

January 27, 2023
South Park Community Center
Brownsville, PA

by:
Chris Masciantonio
Director, Government Affairs
United States Steel Corporation
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### (USS) U. S. Steel's footprint in Pennsylvania





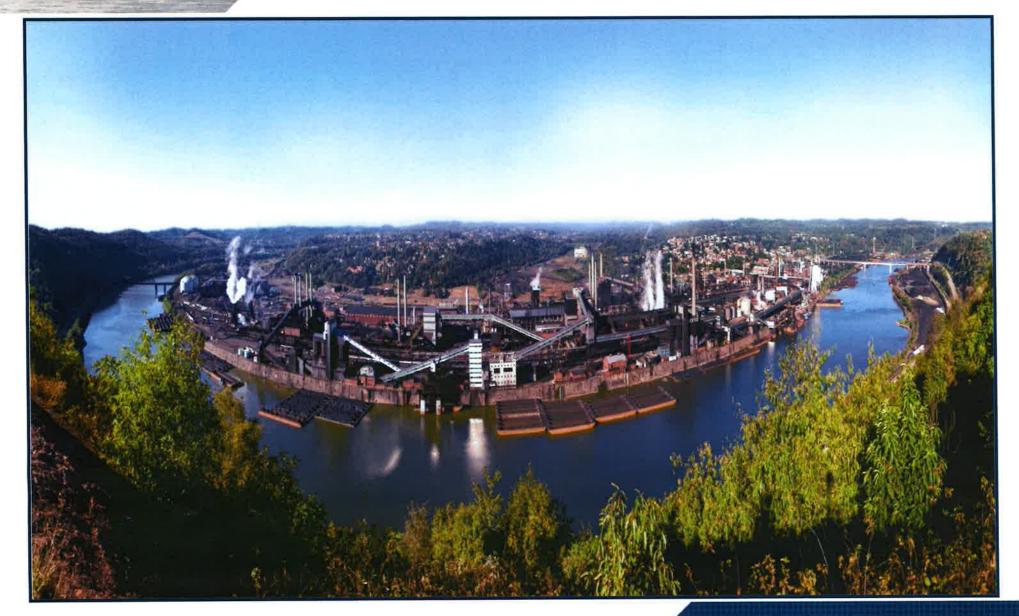
### Economic Impact for the Pittsburgh Region:



- U.S. Steel is the Pittsburgh region's largest manufacturer with a presence that includes a corporate headquarters, R&D center and most visibly the Mon Valley Works, consisting of three integrated manufacturing locations.
- The Mon Valley Works provides economic benefits to the greater region. In 2018, U. S. Steel's total expenditure for the Mon Valley Work's outside services, suppliers, materials were slightly over \$3 billion.
- The 3,000 people employed directly at the Mon Valley Works support an additional 10,500 jobs throughout southwestern Pennsylvania. This captures U.S. Steel's supply chain and other businesses that benefit from spending by the company's workforce. \*
- The impact goes beyond employment. In 2018, the Mon Valley Works generated \$4.6 billion in economic output throughout the Pittsburgh region. \*

<sup>\*</sup>Source: Allegheny Conference on Community Development





# Uss Clairton Plant



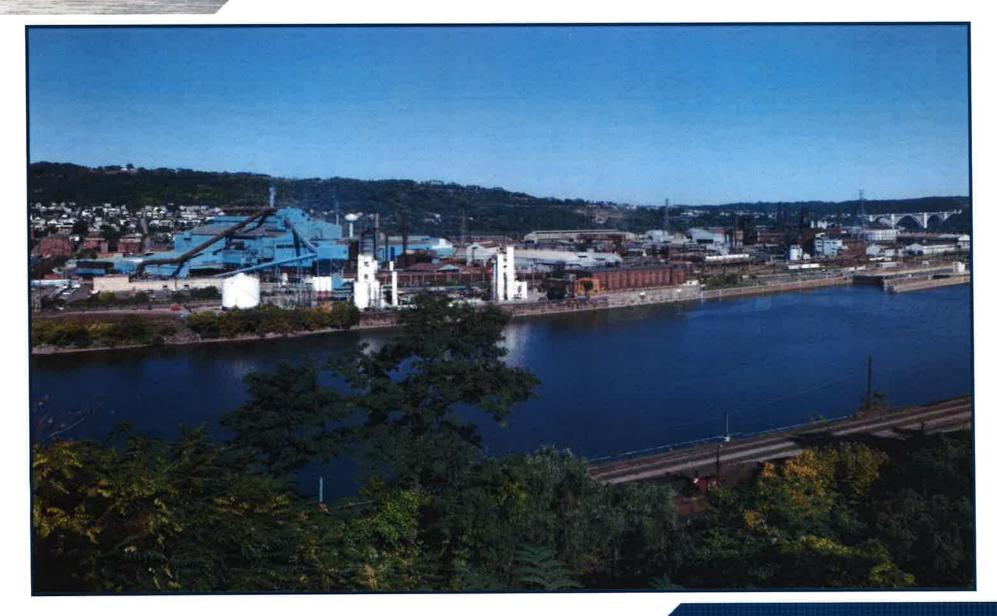


### Clairton has a broad and deep impact on the region:

- Clairton receives approximately 6.5 million tons of metallurgical coal by barge annually. This is more than 17,800 tons of coal each day of the year.
- In 2019, more than \$300 million in Pennsylvania coal was purchased for the Clairton Plant.
- On any given day, Clairton consumes 10 to 12 barges of coal, which equates to as many as 4,380 barge loads in a year.
- Clairton is fully integrated with the Mon Valley Works and provides recycled industrial gases for generating power and heating furnaces.



### Uss Edgar Thomson Plant





## Primary operations consists of:

- Iron making
- Steelmaking
- Casting













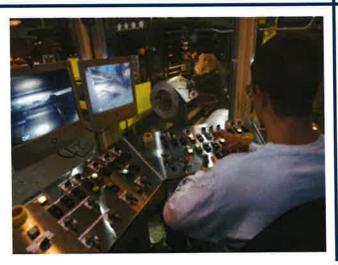


# Finishing operations consists of:

- Hot rolling
- Pickling
- Cold rolling
- Annealing
- Temper rolling
- Coating









# Uss Fairless Plant



MILL	CAPACITY	GAUGE	WIDTH
Galvanize #3	350,000	.017min080max	24"min – 83"max



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