



Proactive Technologies News

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HAVE A HAPPY AND SAFE THANKSGIVING HOLIDAY!



A Training Approach That Should Make the Bean Counters Happy

by Dean Prigelmeier, President of Proactive Technologies, Inc



Whether out of deference or lack of awareness, it is an unspoken truth that more and more employers have been neglecting their role in worker development lately. Investments in related technical instruction are being pushed to the back burner by ever growing emphasis on meeting quarterly numbers; the push for greater output and profits to meet shareholder expectations which seems to perpetually increase. Classes and online content have always been seen by accounting as costs that can be put-off for a later date that, now, never seems to come.

The more important **structured** on-the-job training (the transfer of task best practice and expertise) is squeezed in if and when time allows (which is in short supply) by whoever is available - **this in an age of Lean and continuous improvement**. If employers are waiting for someone else to train their workers to 100% mastery of their unique tasks, on their unique equipment for their unique processes, well that is just wishful thinking.

The contradictions are alarming, and many times middle managers and upper management of corporate-run or private equity managed enterprises are caught in the middle. They know the risks of neglecting training and they see the results first-hand, but have little say in the matter or are afraid of getting caught up in a "cost v. benefit" discussion with people that seem to live in a different world and have made up their mind before the discussion begins. When capacity deteriorates or the siren's call of cheaper labor markets prevails, someone makes the decision to move the entire operation to a location where training is even more difficult but can be absorbed due to offsetting wage discounts - that is until wages rise and [total cost of ownership](#) is understood.

"The decision to not invest in driving each employee to full job mastery - making sure all company employees have mastered the best practice of every task for which they were hired - is akin to deciding to buy a Corvette in your middle-years to impress your friends then skimping on the gas to drive it. The return on the investment is not realized, so it starts to look like pure cost. Magnify this by tens or hundreds of employees and there is no doubt of the folly."

If employers do decide to host related technical instruction, they tend to gravitate toward classroom or online training solutions since they seem more familiar. They settle on local institutional instruction providers and private vendors by finding what they think is a close fit, yet they and the end-users are often underwhelmed by out-of-date or unrelated content that weakens their credibility and makes them reluctant to ask for permission to host another. It has always been difficult to show how related technical instruction and courses "du jour" translated into improvement in a worker's performance - expressed by the attendees and those who sent them

Proactive Technologies, Inc. - capturing worker expertise to build and support job specific, task-based worker development programs (with metric-based solutions) since 1986.

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Free - Live Online Presentation Schedule

If interested in attending one of the presentations below, click on the title, then select a date/time and press "Send." An online presentation invitation and link will be sent to you. On the date and time of the event, just click on link in email invitation and it will connect you to the presentation. **No special equipment**

through the class.

Employers are buoyed by the belief that on-the-job, task-based training seems to be going on in one form or another all around them - even if they cannot explain it, measure it, document it and improve it. To a degree they are right; work gets done and products and services reach the customer. In an age of tight budgets and cynical accountants and shareholders, getting it wrong again is not an option. So the temptation is to accept this reality as the only choice, not ask for additional resources (from individuals who discourage the mere request) to maximize worker potential and, in doing so, the bottom line.

If designed and implemented right, structured on-the-job training, especially **Proactive Technologies' [accelerated transfer of expertise™](#)**, is the easiest to justify by ease of implementation, by the potential increase in worker capacity, work quality and quantity, by the effortless increase in compliance with ISO/AS/TS and OSHA, by the measurable and documented return on worker investment and by the declining cost per trainee.

A structured on-the-job training infrastructure is easier to set up and implement than might be thought if done right. Many of the components are already there, so structuring the unstructured builds on what is familiar and useful. If ad hoc and informal on-the-job training was going on anyway, then structuring it to make it more accurate, efficient and purposeful has to be a return on investment from the "get-go." Having structure to accelerate, document, measure and improve the transfer of worker expertise adds to the returns. Providing documentation to support compliance with ISO/AS/TS quality programs and OSHA mitigates the risk of noncompliance and litigation - even more return. And if you have similar job classifications across multiple locations, the returns due to "customized standardization" escalate.

To have a better shot at pitching to management and accountants why training will have a better outcome this time, what deficiencies it will address and what returns on investment can be expected, then seriously consider the structured on-the-job training, systems approach. Discussing academic theory to hardened managers has become very difficult since many have turned out to be just that; academic theory. Drilling down on real-world examples of waste and under-utilization of workers with a solution that seems directly suited to affect this has a better chance for a successful decision and outcomes that reinforce the choice made.

Michael Collins wrote about it in an article in IndustryWeek entitled "[How Financialization Is Starving Manufacturing](#)" that short-termism has made manufacturing companies focus an inordinate amount of time, attention and resources on immediate gains at the expense of long-term, sustainable growth. This applies to worker development, too. [Read More](#)

Increasing Worker Capacity - An Alternative to Cutting Workers for Short-term Cost Savings

by Stacey Lett, Regional Manager - Eastern U.S.
- Proactive Technologies, Inc.



In business, if you encounter market "softness" and believe that the business level that you were previously operating at is now unattainable for a limited period, you might first find cost cuts that do not erode the business capacity once held in case your, or the pundit's, forecast was wrong or the recovery is swifter than anticipated. Sometimes investments are made in machinery and technology during the lulls to get ready for the economic upturn, but too rarely is any effort made to determine the level of each worker's current capacity (i.e. what percent of the tasks they were hired to "expertly" perform) relative to the job they are currently in and what could be done to increase it to handle not only existing technology and processes, but the new technology and processes as well. One might even think about cross-training workers to build "reserve capacity."

Too often, in this age where every quarterly report has to be as good or better than the one before - actually earnings per share - even if the economy currently doesn't allow it, well-run businesses are pressured to cut into the bone; driving down wages, cutting benefits and ultimately eliminating workers. Investment in new technology isn't permitted. It doesn't take an accounting genius to make sweeping, ill-informed cuts, but it does take a pretty savvy leader to pick up the pieces after this mistakes have been made.

"That is the one point missed in all of the cuts to wages, benefits and staff; the first wave affects those who have no choice, the second

required.

[Click here](#) for descriptions of all of the available presentations. Click on a specific title for that specific description and schedule or to schedule a date and time that works for you.

**APPLIES TO ANY ORGANIZATION
(Recorded - Available Any Time):**

[PTIpromo - A Preview of an Upcoming Presentation](#)

(13 minutes)

FOR FORMER EMPLOYER CLIENTS:

[PTI1001 - Former Client Employers - Restart Your Organization's PROTECH® Training Infrastructure](#)

(45 minutes)

FOR ANY EMPLOYER:

[PTI1002 - Building an Effective Worker Training/Apprenticeship System - Registered or Not](#)

(45 minutes)

[PTI1004 - If You Can't Find Skilled Workers, Develop Your Own](#)

(45 minutes)

[PTI1007 - Structured On-the-Job Training Supports ISO/AS/TS Process Training Requirement Compliance](#)

(45 minutes)

[PTI1008 - Preparing your Workers for Growth: Using Lulls Before Growth to Increase Your Worker's Capacity](#)

(45 minutes)

FOR EDUCATION, WORKFORCE AND ECONOMIC DEVELOPMENT ORGANIZATIONS

[PTI1003 - Adding Employer-Specific Structured OJT to Your Training Support Strategy\(45 minutes\)](#)

[PTI1005 - Adding Structured On-the-Job Training to Your Apprenticeships](#)

(45 minutes)

[PTI1006 - Building a Regional Workforce Development Infrastructure: Employer-Specific for Maximum Effectiveness and Lowest Investment](#)

(45 minutes)

If you would like more information or would like to discuss these presentations or anything else, click [here](#) and fill in the "Contact Us" with your request including information specifying an alternative date/time you prefer and how many will be attending. An invitation and link will be sent to you.

UPCOMING EVENTS

wave affects the company as those with choice exercise it."

When the economy recovers and the company stumbles in regaining its capacity, heads roll, more cuts are made and finally the investors pull out - leaving the previously well-run company impaired or near collapse. No good has come from this, and why it is allowed to continue makes no sense - except that it takes little thought to order, gives Wall Street the appearance of something good happening and something to report. That is why stocks rise when layoffs are announced - even in the face of predictable long-term effects of what the cost cutting means. That and the media's cheering section that naively extols a short-term bump that may turn into a long-term fumble.

Worker capacity will be needed once the economy resumes, and the prudent businessman would not want to miss the recovery while spending too much time rebuilding the organizational capacity, part of which is finding "talent" to replace the ones encouraged to leave and part trying to encourage the ones currently employed to stay. Additionally overlooked, employee and management morale suffers during wholesale cuts and irrational cost-cutting acts. The workers needed to sustain a recovery and regain market share are affected by what they see happening around them, and those most talented keep one eye on the door because they have the skills other employers might appreciate and always have the option to leave. That is the one point missed in all of the cuts to wages, benefits and staff; the first wave affects those who have no choice, the second wave affects the company as those with choice exercise it.

An alternative to knee-jerk cuts to workers is to assess each worker's capacity (i.e. what percentage of the tasks of the job they have had a chance to learn and master), then use business "lulls" to raise it to [full job mastery](#). [Read More](#)

10 Reasons Structured On-The-Job Training is a Vital and Necessary System for Any Organization

by Dean Prigelmeier, President of Proactive Technologies, Inc.

There are many reasons a deliberate, structured on-the-job training system should be a priority consideration for any employer. For decades employers have felt that having an employee take a few classes here and a few online modules there translates directly to improved worker output and performance. But for decades, as well, employers have continued to talk about a continually increasing "skills gap." Connection? Obviously yes.

"Employers expend enormous resources - time, effort, dollars - on efforts to improve efficiencies...in some cases without making an appreciable difference or reaching the intended goals."

A deliberate and documented system to develop workers and maximize the return on worker investment should be a "no-brainer." Employers expend enormous resources - time, effort, dollars - on efforts to improve efficiencies...in some cases without making an appreciable difference or reaching the intended goals. But rather than a philosophical discussion comparing approaches to training, I thought it might be beneficial to just offer **symptoms of failed approaches and reasons why any employer should think more seriously about the state of their internal training infrastructure**. According to a Training Magazine article entitled, "[Bridging the Skills Gap](#)" by Lorri Freifeld, these revealing points were extracted:

- **49 percent of U.S. employers are experiencing difficulty filling mission-critical positions within their organizations.** (ManpowerGroup's seventh annual Talent Shortage Survey; 1,300 U.S. employers surveyed; positions most difficult to fill: skilled trades, engineers, and IT staff)

[Read More](#)

A Simple, Low-investment Solution to Closing Skill Gaps; New-Hires and Incumbents

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Proactive Technologies, Inc. has worked with many employers over the years, establishing and technically supporting cost-effective, task-based structured on-the-job training programs. For each employer, every effort is made to tailor the worker training system to accommodate the employer's budget, job classifications (even unique training programs for each job classification in each department), business goals and manage the system through all types of change. Unlike some products or services that require

Onsite and group presentations are being scheduled for the following states, **and a representative will be in your area**, in the month of:

November, 2018

Colorado (Eastern Slope)

Indiana

Kansas (Kansas City, Topeka and I70 Corridor)

Kentucky (North and Eastern)

Missouri (Kansas City, St. Louis)

North Carolina (Asheville and Western Area, Charlotte, I77 Corridor)

Nevada (Reno, Las Vegas)

New Mexico (Albuquerque, Santa Fe)

Ohio

Pennsylvania (Pittsburgh and Western Area)

South Carolina (UpState, Columbia and Charleston Area)

Tennessee (Eastern)

West Virginia (North-Central, South Central)

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Classes alone will not close the "skills gap," but structured on-the-job training can...every time!

Under-capacity of workers is an enormous source of untapped value and unrealized return on worker investment. In addition, standardizing expert task performance - between workers and shifts - can add to worker ROI through lower scrap and rework.

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the employer to change practices that work in order to utilize them, the PROTECH© system of managed human resource development is built around what is working for the employer, incorporating established information such as work processes and specifications, safety standards, quality standards, etc. This approach minimizes the need for the employer's culture to drastically change what works for them, focusing instead on improvements in an area of weakness.

The main steps used to build an employer-based structured workforce development system starts with understanding the desired outcome first:

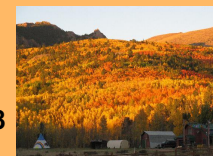
"There is no doubt this approach is effective. After all, what is better: unstructured and haphazard worker training that cannot be explained, measured, improved or understood, or structured on-the-job training for all workers that is easily measured, implemented, improved and explained to auditors?"

1. **Determine the Employer's Need and Agree on Strategy:** How has the client been (or not been) training workers until now; what are the current and projected staffing levels for incumbents and new-hires along with attrition rate and reassignments; is the culture supportive of training workers and see it as vital to competitiveness; are any task-based documents available and are they in use (e.g. work processes, quality standards, safety standards); which jobs are targeted and why; is the company following any quality mandates, such as ISO/TS/AS and do they have any quality programs underway such as LEAN, Six Sigma; what is the budget for setting up the structured on-the-job training program and implementation. A strategy encompassing all of these points is prepared for the employer before an agreement and timetable is confirmed.

[Read More](#)

Fall Pilot Program Discount Offer!

September 15th - November 30th, 2018



Successful organizations rely on high-performance organizational systems that are continually adapting and improving.

**Is your internal worker training keeping up?
Would you like it to?**

Is your organization struggling with high turnover rates leading to lower organizational capacity, work quality and quantity and compliance? Is your organization faced with these increasing costs while seeing a decreasing training budget?

Wouldn't it be worth a few minutes of your time to find out how you can drive every worker - incumbent and new-hires - to full job mastery with a small investment and huge return?

Proactive Technologies, Inc. **always offers a low-to-no risk pilot program approach**, but with our **Fall Discount Offer** program, we want to give you another reason to seriously consider our approach. **Get more [information on our generous discount offer](#).**

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You would be surprised how small of an investment is needed to unlock enormous returns.

If budgets are tight, **Proactive Technologies can be an extension to your training department**, with our technical implementation support - **included with every project!**

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Is an hour of your time worth it to see if this approach to worker training is the one you always wished you had?

[Contact a Proactive Technologies, Inc. representative](#) today!



Industry News

DOMESTIC ECONOMIC DATA

Gross Domestic Product

US Department of Commerce - Bureau of Economic Analysis

Real gross domestic product (GDP) increased 3.5 percent in the third quarter of 2018, according to the "advance" estimate released by the Bureau of Economic Analysis. In the second quarter of 2018, real GDP increased 4.2 percent. [Read Report](#)



Personal Income and Outlays

US Department of Commerce - Bureau of Economic Analysis

Personal income increased \$35.7 billion (0.2 percent) in September according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased \$29.1 billion (0.2 percent) and personal consumption expenditures (PCE) increased \$53.0 billion (0.4 percent). [Read Report](#)



Advance Report on Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured durable goods in September increased \$2.0 billion or 0.8 percent to \$262.1 billion.

September 2018: +0.8° % change; August 2018 (r): +4.6° % change. [Read Report](#)



Job Openings and Labor Turnover

US Bureau of Labor Statistics

Errors in JOLTS Federal government estimates BLS identified errors in the JOLTS Federal government hires, total separations, and layoffs and discharges estimates from January 2011-April 2018. On June 12, 2018, BLS suppressed these data from the LABSTAT database. [For more information on this error and correction plans](#)



Hurricanes Florence and Michael Ravage Florida, Georgia, North Carolina, South Carolina and Virginia

Proactive Technologies Report Staff

It seems that when natural disasters strike, those that can least afford to lose, lose the most - in some cases everything. Hurricane Florence and Michael devastated the lives and livelihoods of so many of our neighbors across the southeast United States. In some areas, flooding continues, and they will need help during the coming months and years.



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If you want to help but don't know how to reach organizations who are there right now lending a hand, here are a few links to some who can help make sure your donation, whatever you are able to contribute, reach those who need it the most.

[American Red Cross](#)

[The Salvation Army](#)

[North Carolina Disaster Relief Fund](#)

[OneSC Fund](#)

[VA Disaster Relief Fund](#)

[World Central Kitchen](#)

Remember, the flood waters will recede but it will take many months, perhaps years, for those affected to find some sense of normal life. If you are able, please help in any way you can.

Quarterly Growth of the Real GDP in the United States from 2011 to 2018

Statista

Percent change from preceding period

This graph shows the quarterly growth of the real GDP in the United States from 2011 to 2018. Real gross domestic product is defined as an inflation-adjusted measure that reflects the value of all goods and services produced in a given year, expressed in base-year prices. The U.S. GDP increased by 4.1 percent from the first quarter of 2018 to the second quarter of 2018. Overall, the US GDP increased by 2.3 percent in 2017, which can be found [here](#).



State of the GDP after recession

The real quarterly U.S. GDP growth in recent years since the recession has been mostly positive with some small exceptions. The GDP in the United States in the first quarter of 2009 experienced a 5.4 percent decrease. The National Bureau of Economic research dates the beginnings of the economic recession at December 2007. By 2009, the country's GDP finally began to improve again, reaching almost 15 trillion U.S. dollars in 2010. In 2010, after the end of the recession, the global GDP increased by 5.38 percent. From 2019 to 2020, global GDP is expected to increase by 3.72 percent. Gross domestic product per capita has increased worldwide over the last decade (with the exception of 2009) and reached 10,150.79 U.S. dollars in 2016. As of 2017, Luxembourg had the highest GDP per capita in the world at 107,708.22 U.S. dollars. Still among the top ten countries in the world, the United States' GDP per capita totaled 59,495.34 U.S. dollars. [Show more](#)

We're Measuring the Economy All Wrong

The New York Times - David Leonhardt, Opinion Columnist



The official statistics say that the financial crisis is behind us. It's not.

Ten years after the collapse of Lehman Brothers, the official economic statistics - the ones that fill news stories, television shows and presidential tweets - say that the American economy is fully recovered.

The unemployment rate is lower than it was before the financial crisis began. The stock market has soared. The total combined output of the American economy, also known as gross domestic product, has risen 20 percent since Lehman collapsed. The crisis is over.

But, of course, it isn't over. The financial crisis remains the most influential event of the 21st century. It left millions of people - many of whom were already anxious about the economy - feeling much more anxious, if not downright angry. Their frustration has helped create a threat to Western liberal democracy that would have been hard to imagine a decade ago. Far-right political parties are on the rise across Europe, and Britain is leaving the European Union.

Look around, and you can see the lingering effects of the financial crisis just about everywhere - everywhere, that is, except in the most commonly cited economic statistics. So who are you going to believe: those statistics, or your own eyes? [Read Article](#)

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- SAR Offers Other Specialty Courses for Manufacturing



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MEMORABLE QUOTES

"It is a mistake to assume that if everybody does his job, it will be all right. The whole system may be in trouble."

[W. Edwards Deming](#)

American engineer, statistician, professor, author, lecturer, and management consultant

"Financialization has also reduced the investment in long-term programs like apprentice training. I define long-term training as journeyman training that takes thousands (not hundreds) of hours. Even though manufacturing suffers from a critical shortage of high-skilled workers, corporations do not want to invest in long-term training because the ROI is too low."

Michael Collins

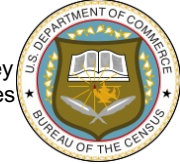
[How Financialization Is Starving Manufacturing](#)

"It is the long term investor who will in practice come in for the most criticism. For it is the essence of his behaviour that he should be eccentric, unconventional and rash in the eyes of the average opinion. If he is successful, that will only confirm the general belief in his rashness; and if in the short run he is unsuccessful, which is very likely, he will not receive much mercy. Worldly wisdom teaches that it is better for reputation to fail conventionally than to

How Many Workers in Manufacturing?

US Census Bureau

The U.S. Census Bureau collects data on the Annual Survey of Manufactures (ASM) to provide key intercensal measures of the nation's manufacturing activity on an annual basis. The ASM provides estimates of the nation's manufacturing activity on an annual basis. The ASM provides estimates of domestic production and productivity helping decision-makers create sound economic trade policies. [Read Report](#)



United States Economic Forecast - 3rd Quarter 2018

Area Development - Deloitte-Dr. Daniel Bachman, Dr. Rumki Majumdar

New tariffs have economists revisiting their old textbooks- and are leaving companies uncertain whether to begin rebuilding their supply chains. Our forecast sees a higher possibility of recession-though it's still unlikely.



Introduction: Trade Concerns

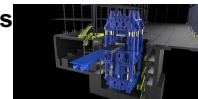
This quarter's Deloitte forecast reflects two major changes, and they are related. First, we are reducing our 2019 growth projection to reflect both the likely impact of the US tariffs imposed so far this year and the impact of US trade partners' retaliatory measures. Second, we are raising the probability of the recession scenario from 15 percent to 25 percent. The vulnerability of the economy to shocks such as a financial crisis increases with uncertainty created by the trade policy actions of both the United States and its trading partners.

The magnitude of the impact of the administration's tariffs depends on whether they turn out to be temporary or permanent. [Read Article](#)

Weber Metals, Otto Fuchs Debut 60,000-ton Press

Forging - Staff

SMS-designed hydraulic press is available for hot or cold forging of aluminum and Ti alloy monolithic parts



The much-anticipated, 60,000-ton closed-die forging press designed by SMS group for Weber Metals Inc. in Paramount, CA, has been inaugurated. An unveiling event was staged October 23 to mark the completion of the four-year, \$180-million project, southeast of Los Angeles.

The press is designed to form oversized parts in aluminum and titanium alloys for commercial and defense aviation and aerospace manufacturing, as well as other industrial markets. [Read Article](#)

Samsung Chairman Indicted for Allegedly Sabotaging Labor Union

IndustryWeek - Bloomberg

South Korean prosecutors indicted the board chairman of Samsung Electronics Co. on charges of illegally cracking down on a labor union, delivering another legal blow to the world's largest chipmaker.



Prosecutors in Seoul said Thursday they have charged Lee Sang-hoon with leading an operation to sabotage a newly formed labor union at Samsung's customer-service unit in 2013 when he was chief financial officer. [Read Article](#)

Steel Production Still Expanding Worldwide

American Machinist - Staff

Now working into the second year of its global recovery, the world's primary steel industry produced 151.7 million metric tons of raw steel during August. While that signifies a 1.5% decline from the July result, it indicates a 2.6% improvement over August 2017 and a 4.8% increase over the last year's January-August total.



The data is supplied by the World Steel Assn., which reports global raw-steel tonnage figures for 64 countries, representing about 99% of the world's raw-steel production. (Until recently, World Steel also supplied capacity utilization results, but has discontinued that line of data, for "antitrust reasons," it stated. [Read Article](#)

Embraer Lands \$1.5B Order from Helvetic

American Machinist - Staff

Embraer SA drew a new contract to supply 12 E-190 E2 jets to Helvetic Airways, an order worth \$730 million at list prices, the jet builder indicated. However, the terms include options for 12 additional aircraft, taking the potential contract value to \$1.5 billion.



succeed un conventionally."

[John Maynard Keynes](#)

British economist whose ideas fundamentally changed the theory and practice of macroeconomics and the economic policies of governments

Switzerland-based Helvetic Airways serves destinations in Europe and Northern Africa, and operating a fleet of Embraer 190 and Fokker 100 narrow-body jets. [Read Article](#)

Consider This -- Henry Ford's Proven Lessons for American Industry

IndustryWeek - William A. Levinson, P.E., author, 'Henry Ford's Lean Vision: Enduring Principles from the First Ford Motor Plant'



"Six Sigma's Growing Pains" (May 2009) underscores the perception that Six Sigma is little more than an expensive designer label for plain vanilla quality techniques that have been around for decades or even longer: techniques that delivered overwhelmingly superior results under Henry Ford's leadership during the first part of the 20th century. We would currently know the Toyota production system as the Ford production system had not the deaths and retirements of key Ford personnel disrupted the corporate culture.

Taiichi Ohno made no secret of the fact that he learned most of his methods from Ford, and the books that Ford wrote between 1922 and 1930 describe lean manufacturing very explicitly. "My Life and Work" (1922) has a detailed description of the benefits of just-in-time manufacturing as well as the need to eliminate variation in delivery time to make it work smoothly. It also summarizes effective labor relations in one sentence: "It ought to be the employer's ambition, as leader, to pay better wages than any similar line of business, and it ought to be the workman's ambition to make this possible." If General Motors' executives and union leaders had read this book, they would probably not need taxpayer assistance to stay in business. [Read Article](#)

Drugmakers Play The Patent Game To Lock In Prices, Block Competitors

NPR - Sarah Jane Tribble, *From Kaiser Health News*

Purdue Pharma, maker of the opioid OxyContin, has a subsidiary that won a patent for a treatment for opioid addiction. David Herzberg was alarmed when he heard that Richard Sackler, former chairman of opioid giant Purdue Pharma, was listed as an inventor on a new patent for an opioid addiction treatment.



Patent No. 9861628 is for a fast-dissolving wafer containing buprenorphine, a generic drug that has been around since the 1970s. Herzberg, a historian who focuses on the opioid epidemic and the history of prescription drugs, said he fears the patent could keep prices high and make it more difficult for poor addicts to get treatment. "It's hard not to have that reaction of, like ... these vultures," said Herzberg, an associate professor at the University of Buffalo.

James P. Doyle, vice president and general counsel of Rhodes Pharmaceuticals, the Purdue subsidiary that holds the patent, said in an email statement that the company does not have a developed or approved product and "therefore no money has been made from this technology." [Read Article and Hear Podcast](#)

\$2.5B Order from United Airlines for Boeing 787s

American Machinist - Staff

Boeing Commercial Airplanes will supply nine new 787 Dreamliner jets to United Airlines, which is expanding its fleet of long-range aircraft for intercontinental routes. The estimated \$2.5-billion order involves the 787-9 version of the Dreamliner, which Boeing noted can cover up to 7,635 nautical miles (14,140 km), with 290 passengers in a standard configuration. Deliveries are seen starting in 2020.



United already has ordered a total of 64 Dreamliners, having announced a purchase of four 787-9s in July. [Read Article](#)

Amazon's Wage Will Change How U.S. Thinks About Work: Conor Sen

IndustryWeek - Bloomberg

Amazon's move may have ripple effects due to its influence in the corporate world and in the minds of upper-middle-class Americans.



The news that Amazon will raise its minimum wage to \$15 an hour has a direct impact on its workers and its bottom line, but the more lasting impact may be for America's middle class and corporate employer psychology at large.

By now, higher minimum wages have been a labor market and political theme

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for several years. The "Fight for \$15" movement began as early as 2012 in the wake of the Occupy Wall Street protests. Walmart became the first large employer to announce an increase in its minimum wage, in early 2015. At the time, observers were cynical about its motivations and Wall Street hated the move, making Walmart stock one of the Dow Jones Industrial Average's worst performers in 2015. [Read Article](#)

[Amazon Warehouse Workers Lose Bonuses, Stock Awards for Raises](#)

IndustryWeek - Bloomberg

Warehouse workers were eligible in the past for monthly bonuses that could total hundreds of dollars per month as well as stock awards, but that will end to pay for the new pay hike.



Amazon.com Inc. is eliminating monthly bonuses and stock awards for warehouse workers and other hourly employees after the company pledged this week to raise pay to at least \$15 an hour.

Warehouse workers for the e-commerce giant in the U.S. were eligible in the past for monthly bonuses that could total hundreds of dollars per month as well as stock awards, said two people familiar with Amazon's pay policies. The company informed those employees on Oct. 3 that it's eliminating both of those compensation categories to help pay for the raises, the people said.

[Read Article](#)

[Lockheed, DoD Agree on F-35 Price Cuts](#)

American Machinist - Staff

The U.S. Dept. of Defense and Lockheed Martin Corp. have settled terms on the cost for the next series of F-35 Lightning II Joint Strike Fighter jets, following protracted negotiations and a preliminary deal reached in mid-summer. The agreement is worth a reported \$11.5 billion, but cuts unit costs for all three models of the F-35, allowing the Pentagon and the program's primary contractor to proceed with long-term purchase plans for the program.



The F-35 is a series of three, Stealth-enabled single-engine aircraft designed for ground attack and combat, and deployed by the U.S. Air Force, U.S. Navy, and U.S. Marine Corps, and the defense forces of multiple allied nations. The program has been under steady scrutiny and criticism for the high cost of individual aircraft, and Lockheed and other contractors have made steady efforts to contain the costs for future deliveries. [Read Article](#)

[Why Those Who Lose Their Jobs In A Recession Must Retrain](#)

Area Development-Forbes - Adi Gaskell

During a recession or period of economic disruption, employment nearly always drops, often quite considerably. As the economy recovers, some of those jobs return, but some do not. A recent Wharton study set out to explore whether there are any trends behind what jobs return to see if there are any personal and societal lessons we can take to improve our economic resilience.

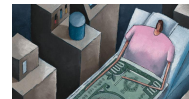


The study examines the influence technological transformation has had on the American labor market in the last 20 years, with a particular emphasis given to the period of the credit crisis and the years following it. [Read Article](#)

[Workers Pay Greater Share of Health Tab, Dwarfing Income Gains](#)

IndustryWeek - Bloomberg

Most U.S. workers who have health plans through their employers must cover at least some expenses before their insurance kicks in, and those out-of-pocket costs have risen eight times as fast as wages, a closely watched study found.



In 1999, the average total premium for a family health-insurance policy -- taking in what workers and their employers paid -- was about 14% of median household income. By last year, that was up to 31%.

American employers are the largest source of health coverage in the country, insuring about 152 million people. Over the past decade, they've asked workers to shoulder a greater and greater share of medical costs, in a system-wide redistribution of risk that shows no signs of abating. [Read Article](#)

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by Stacey Lett, Regional Manager - Eastern U.S., Proactive Technologies, Inc.

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by Dean Prigelmeier, President of Proactive Technologies, Inc.

Visit the Proactive Technologies website "[News and Publications](#)" page for Past Newsletters and Archived

Choosing the Right Words for Your Customers

IndustryWeek - Michael Maslansky

Language strategy is the laser-sharp phrasing of a corporate apology statement, or the product name that resonates.



A brand strategist and a language strategist walk into a bar. The owner approaches them and asks for their opinion on a business challenge he's having: he recently launched a new event called Appy Hour which he thinks is aptly named because the appetizers are all half price (along with good deals on drinks, too). But foot traffic is low. He's surprised nobody's showing up for Appy Hour.

The brand strategist leans forward on her barstool and starts asking questions. "Do the appetizers you're serving have a common theme? Is there a cultural truth you're playing into with this event? What's the feeling you're looking to evoke in people? Have you considered aligning with some sort of cause or partnering with another local business? What do you want your bar to stand for on a bigger level?" [Read Article](#)

China Makes A Big Play In Silicon Valley

NPR Weekend Edition Sunday - Jackie Northam

Chinese companies are pumping massive resources into tech firms in Europe and the U.S. as a way to capture innovation and know-how.



A year ago, Chinese President Xi Jinping stood before the 19th Communist Party Congress and laid out his ambitious plan for China to become a world leader by 2025 in advanced technologies such as robotics, biotechnology and artificial intelligence.

It was seen as a direct challenge to U.S. leadership in advanced technology. James Lewis, a specialist in China and technology at the Center for Strategic and International Studies, says China recognizes that technological superiority helps give the United States an edge in national security and wants in on it.

"The Chinese figured out that technology is the key to wealth and power, and the source of technology is still the West for China," says Lewis. The question is: "How do they get their hands on that Western technology?" [Read Article and Hear Podcast](#)

Trump administration details blueprint to rebuild key manufacturing sectors



Coalition for a Prosperous America - White House

Washington. The Coalition for a Prosperous America (CPA) today said the Trump administration's new report on vulnerabilities in the US defense industrial base is welcome and critical to national and economic security. The new report offers a comprehensive assessment of the state of defense manufacturing in the United States, and warns of capability decline due to the rise of China's industrial prominence. [Read Report](#)

Great Recession Aftermath: 28 US Cities That Never Recovered

USA TODAY

From the end of 2007 through mid-2009, the United States went through one of the worst recessions in its history.

During the recession and in the months that followed, the U.S. labor market shed millions of jobs, and the unemployment rate peaked at 10 percent. [Read Article](#)



Climate Crisis Spurs UN Call for \$2.4 Trillion Fossil Fuel Shift

IndustryWeek - Bloomberg

The world must invest \$2.4 trillion in clean energy every year through 2035 and cut the use of coal-fired power to almost nothing by 2050 to avoid catastrophic damage from climate change, according to scientists convened by the United Nations.



Their report published on Oct. 8 adds pressure on policymakers and businesses to step up their response to global warming, which is boosting sea levels, making storms more violent and exacerbating poverty. The atmosphere is already almost 1 degree Celsius (1.8 Fahrenheit) hotter than it was at the start of the industrial revolution and on track to rise 3 degrees by 2100, according to the report. That's double the pace targeted under the 2015 Paris climate agreements endorsed by almost 200 nations. [Read Article](#)



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Supreme Court Redefine Independent Driver Status

Material Handling & Logistics - David Sparkman

A Supreme Court tussle over whether a 1925 law's use of the word "worker" means the same thing that the word "employee" means today threatens the viability of independent contractor drivers in trucking and home deliveries.



On Oct. 3 oral argument was heard by the High Court in the case of *New Prime Inc. v. Oliveira*, which involves the question of whether the 93-year-old Federal Arbitration Act (FAA) applies to owner-operator drivers. (To risk making matters even more confusing, New Prime Inc. is the legal name of a temperature-controlled trucking company that operates nationwide under the name of Prime Inc., which we will use in this article instead of New Prime).

[Read Article](#)

U.S. Defense Supply Chain 'Alarmingly' Reliant on China, Other Rivals

IndustryWeek - Jesus Espinoza

The Defense Department released an urgent report last Friday outlining how its supply chains are alarmingly reliant on China and other potential military rivals for essential materials.



How can the U.S. military properly defend our nation if it can't source what it needs from domestic sources - and instead must depend on potential adversaries for those materials?

The simple answer: it can't. This shouldn't be surprising, though. The Alliance for American Manufacturing (AAM) has been sounding the alarm on this pressing issue since 2013, when we published a report that identified many of the same weaknesses in our military supply chains and overall defense preparedness. [Read Article](#)

Caring for Bearings: Essential Maintenance Tips To Keep Your Plant Rolling

New Equipment Digest - Matt Nagel

A comprehensive list of facts and tips plant workers need to know about in respect to maintaining bearings, from installing to troubleshooting.



When most people consider ball bearings, they envision robust and rugged machine parts that can take all kinds of knocking about, vibrations, high temperatures and friction. But the reverse is true. Bearing reliability depends on many different factors such as loading, speed, fitting, setting, operating temperature and being kept in pristine conditions. Handling with extreme care along with lubrication and maintenance to avoid contamination and other environmental factors is also essential.

Since rolling bearings are high precision machine parts, they must be handled while taking the following main precautions into account: [Read Article](#)

Lockheed's \$29 Billion Helicopter Running Short of a Needed Part

IndustryWeek - Bloomberg

Timely delivery of Lockheed Martin Corp.'s \$29 billion CH-53K King Stallion helicopter for the U.S. Marine Corps may be jeopardized by a potential shortage of specialized metal components two years after the bankruptcy of a key supplier.



In an illustration of how even the biggest defense contractor depends on its supply chain, the Navy's aircraft development and acquisition command has assembled a team with Lockheed to assess options for ensuring a steady supply of the parts. General Robert Neller, the Marine Corps commandant, is monitoring the issue. [Read Article](#)

Walmart Unveils High-Tech Grocery Warehouse to Bolster Food Push

IndustryWeek - Bloomberg-Matthew Boyle

Walmart Inc. is building a high-speed grocery warehouse to solidify its position as the nation's biggest grocer.



The new distribution center in Shafter, California -- halfway between Los Angeles and Fresno -- is set to open in the fall of 2020 and will move products in and out 40 percent faster than the company's existing warehouses, Walmart said in a blog post Thursday. The building will be equipped with automation technology from Witron, a German supplier of logistics services.

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The new center is Walmart's latest investment in its grocery business, which accounts for more than half of U.S. sales and is a bulwark against Amazon.com Inc.'s encroachment. The retailer has improved the presentation and quality of its fresh food, and is expanding curbside pickup and home-delivery options. But getting straw berries and cantaloupes from fields to stores is still a complex, expensive process, and any time saved along the journey translates into increased sales and profits. [Read Article](#)

Honeywell's Jet Parts Sales Boom Having Problems Amid Trade Tensions

IndustryWeek - Bloomberg

Honeywell International Inc.'s robust sales growth, spurred by aerospace and warehouse-automation demand, is running into a problem from trade tensions with China.



Honeywell flagged potential costs in the "hundreds of millions of dollars" from higher Chinese and U.S. tariffs, which it intends to mitigate by raising prices and changing some suppliers. Sales already are beginning to slow in China, said CEO Darius Adamczyk. [Read Article](#)

Just When You Thought It Was Safe to Go Back on the Highways

Material Handling & Logistics - Dave Blanchard

A new round of Hours-of-Service rulemaking and a continued debate on ELD effectiveness leave shippers dazed and confused.



As the editor of one of the nation's longest-running logistics magazines, I get a lot of phonecalls and e-mails from readers wanting to know, basically, what the heck is going on? Sometimes they're asking about capacity (or lack thereof), sometimes about the regulatory environment, sometimes about all the new technologies that are certainly disruptive but aren't necessarily productive. To say there's a lot of confusion about the current shipping environment would be quite an understatement. [Read Article](#)

Cramped Legroom On Flights Unlikely To Change, Despite Congressional Mandate

NPR All Things Considered - David Schaper

Despite a new congressional mandate to set minimum seat widths and legroom standards, the FAA is unlikely to expand airline seat size anytime soon.



This isn't exactly the golden age of airline travel, but it's a pretty good time to fly by a lot of measures. Flying has never been safer. Airfares are historically low when adjusted for inflation. Technology makes it easier to search for fares and book flights while also helping airlines lose fewer bags and improve their on-time performance.

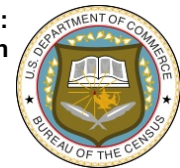
But if there's one thing air travelers still love to complain about, it's the size of economy class seats. You're like, not pigeon-toed, but you're facing like duck feet sideways and that hurts your ankles at the same time while you're sitting down.

Jose Maldonado, a 30-year old from Florida, is 6 feet, 3 inches tall. He says his flight to Chicago's O'Hare Airport was "rough" because his seat was "small." And Maldonado's complaint isn't just that there's no legroom. "There's no room for your feet. You can't put your feet now here," he says. "You're like, not pigeon-toed, but you're facing like duck feet sideways and that hurts your ankles at the same time while you're sitting down." [Read Article and Hear Podcast](#)

Census Bureau Profile America Facts for Features: American Indian and Alaska Native Heritage Month

U.S. Census Bureau

View the Census Bureau Profile America Facts for Features: American Indian and Alaska Native Heritage Month: November 2018. [Read Profile](#)



Native American Heritage Month: Fact Sheet

U.S. Congressional Research Service

The U.S. Congressional Research Service has released a fact sheet on Native American Heritage Month. [Read Fact Sheet](#)

Financial News

N.Y. Regulator Sues U.S. Over Fintech 'Folly'

CFO.com - Matthew Heller

New York's top financial regulator is challenging the federal government's decision to allow financial technology companies to apply for



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national bank charters, calling it "law less, ill-conceived, and destabilizing of financial markets."

The Trump administration has been seeking to ease restrictions on fintech firms such as online lenders LendingClub and OnDeck Capital in order "to foster the nation's vibrant financial services and technology sectors." [Read Article](#)

Ticketmaster Has Its Own Secret 'Scalping Program,' Canadian Journalists Report

NPR/CBC - Anastasia Tsioulcas

Box-office giant Ticketmaster may have benefitted from looking the other way on ticket scalping-related violations of its own terms of service, a Canadian report revealed on Sep. 19.



A team of Canadian journalists - from the Canadian Broadcasting Corporation (CBC), a public radio and television broadcaster, and the Toronto Star newspaper - reported on Wednesday that Ticketmaster, the live-event box office behemoth, has developed a secret tool called TradeDesk that assists professional "scalpers" to resell tickets in ways that would seem to violate Ticketmaster's own rules - and from which Ticketmaster would ostensibly benefit.

Two of the journalists went undercover with hidden cameras and posed as professional resellers to attend Ticket Summit 2018, a trade convention held in July at Caesars Palace in Las Vegas. A CBC journalist also obtained access to an online video conference demonstration of the TradeDesk platform back in March. [Read Article and Hear Podcast](#)

Petrobras Fined \$1.8B for Duping U.S. Investors

CFO.com - Matthew Heller

Brazilian energy giant Petrobras has agreed to pay nearly \$1.8 billion to settle U.S. allegations that it manipulated its financial statements to conceal a massive corruption scheme from investors.

CFO

The settlement resolves U.S. investigations arising out of the corruption scandal at Petrobras that involved the payment of billions of dollars in kickbacks by contractors to company executives, who then shared the payments with Brazilian politicians. According to the U.S. Securities and Exchange Commission, Petrobras misled U.S. investors by recording the kickbacks as money spent to acquire and improve assets, resulting in an estimated \$2.5 billion overstatement of property, plant and equipment in the company's financial statements. [Read Article](#)

Where Home Sales Go From Here Is Anyone's Guess

CFO.com - William Sprouse

Sales of existing homes in the United States were unchanged in August at a seasonally adjusted rate of 5.34 million units, the National Association of Realtors said this week. The group reported 1.92 million existing homes for sale at the end of August, up from 1.87 million a year ago.

The slow down has been driven by a shortage of houses priced at less than \$250,000, the level considered affordable for the middle class. Sales of homes priced between \$100,000 and \$250,000 have declined 1.7% in the past year. Meanwhile, homes priced at more than \$500,000 have seen increasing momentum. Sales of homes worth more than \$1 million have increased 11.8% in the last year. [Read Article](#)

CFO

Why Aren't Tax Cuts Translating to Capital Spending?

IndustryWeek - Joseph Brusuelas

The 2017 Tax Cuts and Jobs Act was intended to spur productivity-enhancing investment. For many middle market firms, it represents a once-in-a-generation opportunity to capitalize on a tax windfall. The money could bolster outlays on equipment, software and intellectual property during a time of profound technological disruption across all industrial ecosystems.



However, RSM's proprietary research shows an apparent reluctance on the part of midsize companies to invest in these areas, presenting one of the emerging economic policy puzzles in the current cyclical expansion.

Just 38% of middle market leaders polled in the second quarter of 2018 in the RSM U.S. Middle Market Business Index say they plan to increase the dollar volume of their capital expenditures over the next three years because of accelerated expensing and depreciation. Of that 38%, only half plan to make new capital investments, while the remainder are accelerating previously planned investments. [Read Article](#)

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Bitcoin Miners Flock to New York's Remote Corners, but Get Chilly Reception

Area Development-The New York Times - Patrick McGeehan

A region that once attracted heavy industry is coping with an influx of Bitcoin speculators, lured by an abundance of cheap electricity.



The hulking aluminum plant in this northern border town is starting to spew heat and noise again, four years after Alcoa shut it down. But now the hot hum comes from thousands of Chinese computer servers whirring away 24 hours a day for a very modern purpose: producing Bitcoins and other digital currencies.

The crackerbox-size machines stacked inside rusty cargo containers are powered by the same cheap source of electricity once used to extract aluminum from ore. They represent the first stage of an obscure company's plan to convert the 60-year-old smelting works into the world's biggest cryptocurrency mine. [Read Article](#)

Is Sustainability Fading from Board Agendas?

CFO.com - David McCann

If new events in 2017 swayed directors to more highly value sustainability disclosures, the effect has apparently worn off in 2018, a study suggests.

CFO

In 2016, BDO asked corporate directors whether they believed that disclosures regarding sustainability matters - like corporate social responsibility and the impact of climate change - were important to understanding a company's business and provided meaningful information to investors.

Three quarters of the respondents (76%) said "no." When the auditing and consulting firm asked the same question last year, more than half (54%) of directors said "yes." [Read Article](#)

Worksite Medical Clinics Proliferate, Save Costs

CFO.com - David McCann

Large employers are increasingly likely to provide on-site or near-site medical clinics for employees, and for good reasons. Among them: they're cost-effective.



Mercer recently reported that in 2017, 33% of U.S. employers with at least 5,000 workers offered at least one such clinic for general medical services. That was up from 24% in 2012 and 17% in 2007, according to Mercer's most recent National Survey of Employer-Sponsored Health Plans.

An even greater proportion of employers of that size, 38%, offered a clinic for occupational health services. [Read Article](#)

U.S. Budget Deficit Swells to \$779B in FY 2018

CFO.com - Matthew Heller

The U.S. budget deficit grew to \$779 billion in fiscal 2018 - the highest level since the height of the Great Recession - as President Donald Trump's tax cuts ate into corporate tax revenues.

CFO

The White House blames increased spending for the mounting deficit but its own data "suggest falling revenues were a far larger contributor." The Treasury Department reported on Monday that the budget shortfall increased by \$113 billion, or nearly 17%, from 2017.

Administration officials attributed the increase to greater federal spending, including the military and domestic budget increases that President Trump approved this year, not the \$1.5 trillion tax cut. [Read Article](#)

Flaunting Strong Earnings Damages Stock Price

CFO.com - David McCann

After a quick boost, share prices tend to drop over the longer term for companies that quantify strong results in earnings-release headlines.

CFO

A company has had a good year, and wants to make sure investors know it. So the headline of its press release announces, "Earnings Per Share up 16.5%" - which, the release reports, is a record.

What could be more natural for a company to do than highlight impressive earnings?

But, according to new research, it's also a reason for investors to be wary. "Headlining quantitative information incites investor overreaction," says a study in the American Accounting Association journal *The Accounting Review*. "At the time of earnings announcements, investors do not fully appreciate managers' opportunistic incentive to highlight temporary good performance." [Read Article](#)

Risks Mount for Banks and Non-Banks Alike

CFO.com - Christopher Whalen

Tight spreads and growing liquidity risks promise to present financial firms with steep challenges in the coming months.



Pondering Q3 2018 earnings for financial firms and surprises that may lie ahead, the conventional wisdom on Wall Street is that higher interest rates are good for banks.

But, while rates are currently rising, it's higher interest-rate spreads that really matter.

Today, spreads are contracting as the Federal Reserve's Federal Open Market Committee forces short-term interest rates higher. There is actually little demand in the market for higher short-term rates - but who needs demand when we have economists? [Read Article](#)

Rising Income Gap Threatens U.S. Credit Rating

CFO.com - Matthew Heller

"Pressures from rising inequality will exacerbate already material fiscal challenges on the horizon," Moody's warns in a report.

CFO

The credit rating agency doesn't see any immediate, or even medium-term, threat to the U.S. Treasury's triple-A rating but says the widening income gap could sap the country's ability to repay its debts because of weaker economic growth and ineffective government institutions.

"Greater [income] inequality tends to be associated with higher levels of corruption and weaker government institutions, which undermine the overall institutional strength of a sovereign's credit profile," Moody's analysts wrote in the report. [Read Article](#)

Treasury Announces New Rules For Foreign Investments

CFO.com - William Sprouse

The U.S. Department of the Treasury issued new temporary regulations on foreign investments in U.S. companies that will give the government more power to block foreign transactions on national security grounds.

CFO

Under the new rules, foreign investors will have to alert a Treasury-led interagency committee to all deals that would give the foreign investors access to critical technology in one of 27 industries, including semiconductors, telecommunications, and defense. The industries were picked because a strategically motivated foreign investment could pose a threat to America's "technological superiority and national security," the Treasury said.

The law, passed in August, did not single out China, but the rules are seen as a slap at the regime in Beijing, which has been accused of using such tactics to steal American intellectual property. [Read Article](#)

China Reduced U.S. Treasury Holdings for Third Straight Month

Bloomberg - Randall Woods

China's holdings of U.S. Treasuries fell for a third consecutive month in August as the Asian nation struggles to prevent the yuan from weakening.



China's ownership of U.S. bonds, bills and notes was \$1.165 trillion, down from \$1.171 trillion in July, according to data released by the Treasury Department on Tuesday. Japan, which is the largest foreign owner of Treasuries after China, decreased its holdings to \$1.03 trillion from \$1.036 trillion a month earlier.

Beijing's sale of Treasuries is sometimes viewed as a response to the trade war, especially after China's ambassador to the U.S. signaled in March his country could scale back purchases of the debt to retaliate against American tariffs. President Donald Trump since July has imposed tariffs on about half of Chinese imports, with Beijing responding with duties of its own on American goods. [Read Article](#)

Ex-Deutsche Bank Traders Convicted in LIBOR Rigging

CFO

CFO.com - William Sprouse

"This isn't over," said the attorney for defendant Matthew Connolly. Two former Deutsche Bank traders have been convicted in Manhattan federal court of conspiracy and wire-fraud charges over their involvement in a scheme to manipulate the London Interbank Offered Rate (LIBOR).

Matthew Connolly, Deutsche Bank's director of the pool trading desk in New York, was convicted on one count of conspiracy and two counts of wire fraud. Gavin Campbell Black, a director on Deutsche Bank's money market and derivatives desk in London, was convicted on one count of conspiracy and one count of wire fraud. A sentencing date has not been set. [Read Article](#)

Email Scammers Still Tripping Up Finance Personnel

CFO

CFO.com - Vincent Ryan

In an investigative report designed to bring attention to the need to beef up internal accounting controls to protect against fraud, the Securities and Exchange Commission found that the finance departments of publicly held companies continue to fall prey to relatively unsophisticated cyber-scams.

The report, released Tuesday, was based on the SEC Enforcement Division's investigation of nine public companies that were victims of business email compromises (BECs).

Each of the companies lost at least \$1 million, two lost more than \$30 million, and one lost more than \$45 million, the SEC said. In total, the nine companies wired nearly \$100 million as a result of the frauds, most of which was unrecoverable. [Read Article](#)

How These Penny-Pinchers Retired in Their 30s

 PBS NEWSHOUR

PBS Newshour

Eschewing consumer culture, Pete Adeney, also known as Mr. Money Mustache, practices an extreme frugality that allowed him to retire at age 30. Avoiding car use, DIYing and investing in stock market index funds are among the tactics he and his fellow F.I.R.E. (Financial Independence Retire Early) devotees espouse. Paul Solman reports from Colorado in this installment of "Making Sense." [See Video](#)

International News

Mexico, Latin America, South America and the Caribbean

In Pictures: Haiti Earthquake Aftermath in Port-de-Paix



BBC
At least 12 people died and almost 200 were injured after a powerful magnitude 5.9 quake struck Haiti on Saturday [October 6].

The US Geological Survey said the epicentre of the quake that struck late on Saturday was about 19km (12 miles) north-west of the city of Port-de-Paix. These images show how Haitians are trying to cope after the disaster. [See Aftermath](#)

Brazil Election: Five Things You Need to Know



BBC

The run-up to Brazil's general election on 7 October has been nothing if not dramatic. The frontrunner was campaigning from jail until he was banned from standing in the election. His main rival was stabbed while on the campaign trail and seriously injured. What else do you need to know about the poll in Latin America's largest democracy?

1. It's big. There are 147 million eligible voters and more than 1,650 posts are up for grabs. [Read Article](#)

Brazil economy: Can Bolsonaro ride the 'Bullsonaro wave'?



BBC - Daniel Gallas, South America Business correspondent

If stock markets and currencies are anything to go by, Brazil's economy would at first glance seem like one of the best bets for investors at the moment.

While global markets have been experiencing sharp drops since September, Brazil's stock market and currency have both soared 13% in the same period. Market analysts say this is just the beginning of the "Bullsonaro wave", the bullish trend of Brazilian stocks spurred by the election of far-right presidential candidate Jair Bolsonaro.

On 1 January, Mr Bolsonaro will be sworn in as president of Latin America's largest economy but will he be able to sustain that feeling in the business community? [Read Article](#)

Gold, Rabbits and Crypto: Venezuela's Strange Economic Plans

BBC - Daniel Gallas, South America Business Correspondent



For years, Venezuela has been in the headlines for its economic woes, including chronic shortages of food and medicine.

Inflation may hit the one million per cent mark this year and 2.3 million people have fled the country, becoming economic refugees. The government of Nicolas Maduro has responded with a raft of policies - some of them very unorthodox - to try to deal with what is arguably the worst economic crisis of the decade.

From a digital currency backed by oil, to urban farming projects that include breeding rabbits and chickens at home, the government in Caracas has not been lacking in creativity. [Read Article](#)

As U.S. Cracks Down on H1-B Visas, Latin America Adds Fast-Track Alternatives for Entrepreneurs and Investors

Entrepreneur - Nathan Lustig, Magna Partners Managing Partner



More and more entrepreneurs are setting up offices in Latin America where they can still hire talented foreigners without any visa hassle.

As the United States closes up its borders and becomes more hostile to even legal immigration, countries across Latin America are opening theirs. Countries such as Chile, Colombia and Mexico, are not doing it to be nice; they know immigration is good for business. [Read Blog](#)

Trapped in the Middle of the US-China 'Cold War'

BBC - Karishma Vaswani, Asia business correspondent



Picking sides is never fun. Especially if you're the one stuck in the middle of two giants.

Panama is one of many countries where the rivalry between the US and China is playing out in real time.

It was caught in the crossfire last week when US Secretary of State Mike Pompeo, whilst visiting Panama, criticised Chinese economic activity in the country.

He called the actions of China "predatory" and said that Chinese state-owned enterprises show up in a way "that is clearly not transparent, not market driven and is designed not to benefit the people of Panama, but rather to benefit the Chinese government".

China lashed out, as you would expect. [Read Article](#)

Canada, Europe and Great Britain Ford Faces Outrage in France over Factory Closure

IndustryWeek - Agence France-Presse



Ford came under fire from the French government on Oct. 15 over its plans to close a factory producing gearboxes in southwest France that employs 850 people.

After a meeting between union representatives and French officials, Economy Minister Bruno Le Maire sounded furious at the U.S. group's desire to shut the plant near Bordeaux, rather than sell it to a French buyer. [Read Article](#)

Brexit: No Cause for Celebration

CFO.com - Kevin Butler, TMF Group



You know the breathless media hype about Brexit has gone into overdrive when the dreaded countdown clock makes an appearance. There it is on the (London)

Telegraph's website, counting down the days, hours, minutes, and seconds until the United Kingdom leaves the European Union - as if March 29, 2019, is New Year's Day.

Businesses don't need a constant reminder of the impending deadline, and they're not finding much reason to celebrate. In fact, they are deeply concerned about the U.K.'s future relationship with the EU. They also have short-term fears. We're less than six months from the divorce, and nobody knows how it will happen. [Read Article](#)

Single-use Plastics Ban Approved by European Parliament

BBC

The European Parliament has voted for a complete ban on a range of single-use plastics across the union in a bid to stop pollution of the oceans.



MEPs backed a ban on plastic cutlery and plates, cotton buds, straws, drink-stirrers and balloon sticks.

The proposal also calls for a reduction in single-use plastic for food and drink containers like plastic cups.

One MEP said, if no action was taken, "by 2050 there will be more plastic than fish in the oceans". [Read Article](#)

German Growth Momentum Evaporates as Factory Orders Shrink

IndustryWeek - Bloomberg

Germany's economy started the fourth quarter on the back foot, with private-sector activity slowing to the weakest since 2015 and factory orders contracting for the first time in four years.



The composite Purchasing Managers' Index for Europe's largest economy dropped to 52.7 in October from 55.0 last month, according to a flash reading released by IHS Markit on Wednesday. The result is below all estimates in a Bloomberg survey of economists.

The euro fell after the survey was released and was down 0.4% to \$1.1426. [Read Article](#)

Asia, India and Australia

Delhi Smog: Foul Air Came From India's Farming Revolution

BBC - Soutik Biswas, India correspondent

Many participants in the Delhi half marathon on Sunday wore anti-pollution masks



If there was a gold medal for bad air, Delhi would be hard to beat.

Yet, despite high levels of air pollution, more than 30,000 people, many wearing masks, took part in the capital's half marathon on Sunday.

Organisers said they used devices on the route to transmit radio frequency waves to clear the air, but scientists were sceptical of these claims.

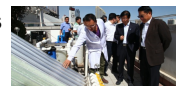
Delhi's marathon, ironically, marked the beginning of the city's smog season. But it has been creeping up on the capital for a few weeks now. [Read Article](#)

China and Southeast Asia

China is Investing in Developing Countries - What is it Really Up To?

The London School of Economics and Political Science - Isabella Neuweg

Chinese aid is helping to plug a gap in financing for energy in developing countries but more disclosure is needed.



What types of energy does China finance with its development aid?

China has been steadily intensifying its economic and strategic relations with developing countries in recent years. Through deepening trade ties, large-scale infrastructure financing and its ambitious vision to create 'seamless connectivity' through three main infrastructure sectors (energy, transport and information and communications technology) across continents through its Belt and Road Initiative, China has become an important 'donor' to

developing countries. The establishment of its own development cooperation agency earlier in 2018 underlines China's growing confidence as a donor as well as its intent to expand and streamline its aid programmes. [Read Article](#)

China's Hidden Camps

BBC

On 12 July 2015 a satellite swung over the rolling deserts and oasis cities of China's vast far west.



One of the images it captured that day just shows a patch of empty, untouched, ashen-grey sand.

It seems an unlikely place to start an investigation into one of the most pressing human rights concerns of our age.

But less than three years later, on 22 April 2018, a satellite photo of that same piece of desert showed something new.

A massive, highly secure compound had materialised. [Read Article](#)

Africa, Middle East, Eastern Europe and Russia

Central African Republic's Singing Survivor: Why a Grenade Can't Stop Our Music

BBC

Emmanuel Ngallos and his band sing for peace in the Central African Republic (CAR) because they came under attack at a concert last year, writes Brenna Daldorph.



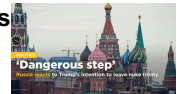
"I'm the only survivor who actually saw the grenade," says Ngallos, who was on keyboards at the time looking out at the excited crowd packed into the small bar to see his band, Nouvelles Écritures.

It came flying through the air towards him, hit the speakers and bounced. "When it rolled off the stage, it fell into a little hole. That's what saved me. I was hurt, but alive." [Read Article](#)

Russian Officials Warn of 'Full Chaos' if Trump Pulls Out of Nuclear Arms Treaty

USAToday - Jim Heintz, The Associated Press

U.S. National Security Adviser John Bolton faces two days of high-tension talks in Moscow beginning Monday after President Donald Trump announced his intention to withdraw from a landmark nuclear weapons treaty.



Trump's announcement that the United States would leave the Intermediate-Range Nuclear Forces, or INF, treaty brought sharp criticism on Sunday from Russian officials and from former Soviet President Mikhail Gorbachev, who signed the treaty in 1987 with President Ronald Reagan. [Read Article](#)

Can Religious Leaders Help Keep Kabul's Water Flowing?

DeutscheWelle

People have been praying for water since time immemorial. As supplies to the Afghan capital Kabul reach dangerously low levels, the city government hopes religious leaders can help. But not how you may think.



Foreign invasions, civil war, terror attacks, competing warlords - fate has not been kind to Afghanistan in the past decades. Now, as many people leave their homes in the countryside for Kabul in search of a better and indeed safer life, the country's capital is facing a threat of an entirely different kind: a severe water shortage.

The situation is so dire that Afghanistan's National Disaster Management Authority (ANDMA) has warned that increasing demand and use of water in the city could see underground water reserves dry up within the next decade.

Kabul's groundwater levels have already dropped 20 meters (66 feet) in the past five years, according to the Afghanistan's urban water authorities. And with a trend toward less rain and snow fall, there is every chance that levels will continue to drop.

That is desperate news for the almost 5 million-strong capital, which is considered one of the world's fastest-growing cities. [Read Article](#)

INTERNATIONAL TRADE DATA

Monthly Wholesale Trade

US Census Bureau

August 2018 sales of merchant wholesalers were \$511.1 billion, up 0.8 percent (+/- 0.4 percent) from last month. End-of-month inventories were \$642.7 billion, up 1.0 percent (+/- 0.2 percent) from last month. August 2018: +1.0 % change in Inventories; July 2018 (r): +0.6 % change in Inventories. [Read Report](#)



Manufacturing and Trade Inventories and Sales

US Census Bureau

U.S. total business end-of-month inventories for August 2018 were \$1,960.8 billion, up 0.5 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,461.9 billion, up 0.5 percent (+/- 0.1 percent) from last month. August 2018: +0.5 % change in Inventories; July 2018 (r): +0.7 % change in Inventories. [Read Report](#)



U.S. International Trade in Goods and Services

US Department of Commerce - Bureau of Economic Analysis



The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced today that the goods and services deficit was \$53.2 billion in August, up \$3.2 billion from \$50.0 billion in July, revised. August exports were \$209.4 billion, \$1.7 billion less than July exports. August imports were \$262.7 billion, \$1.5 billion more than July imports. [Read Report](#)

NAFTA By Any Other Name Is Just Fine with Corporate America

IndustryWeek - Bloomberg



New regional value content requirements could push production from Mexico's cheaper labor market to the U.S. The sky isn't falling.

That's the message coming from Corporate America after President Trump reached a deal to revise the North American Free Trade Agreement. The accord, which covers \$1.2 trillion in commerce, arrived after months of negotiating amid concern that Trump would exit the treaty with Mexico and Canada and upend global supply chains.

"We were concerned when hanging over our heads was total withdrawal," said Matt Priest, chief executive officer of the Footwear Distributors and Retailers of America. "To put that to bed is great and to have something that includes Canada, and not just Mexico, is fantastic." [Read Article](#)

A Closer Look at the NAFTA Replacement Deal

IndustryWeek - Nithya Nagarajan, Beau Jackson, Robert Stang



A trio of international trade lawyers explain some of the key provisions of the U.S., Mexico, Canada trade agreement.

On September 30, the United States and Canada reached a new trade that addresses many of the contentious issues that delayed Canada from rejoining NAFTA.

In a joint statement, Canadian Foreign Affairs Minister Chrystia Freeland and U.S. Trade Representative Robert Lighthizer said that the new agreement "will give our workers, farmers, ranchers, and business a high-standard trade agreement that will result in freer markets, fairer trade and robust economic growth in our region. It will strengthen the middle class, and create good, well-paying jobs and new opportunities for the nearly half billion people who call North America home." [Read Article](#)

August Trade Deficit Hits \$53.2 billion; China Trade Deficit Sets Another Monthly Record



Coalition for a Prosperous America

New trade data from the Department of Commerce shows that America's trade deficit continues to rise, with the August seasonally-adjusted deficit of \$53.2 billion rising 6 percent above the July figure and a staggering 20 percent worse than the August 2017 figure of \$44.2 billion. On a year-to-date basis, the trade deficit is running at \$391 billion, up 8.6% on the comparable period for 2017. [Read Blog](#)

Rush to Beat Tariffs Fuels Record China Trade Surplus With US

IndustryWeek - Bloomberg



China's export trade growth accelerated in September, signaling that

producers expedited sales abroad to avoid fresh tariffs imposed by the Trump administration.

Economists said the surge, which contributed to a new record trade surplus with the U.S., can't last.

Exports in dollar terms rose 14.5% in September compared to the same period last year, the customs administration said on Oct. 12, defying expectations for a slow down to 8.2%.

Imports climbed 14.3%, leaving a trade surplus of \$32 billion. [Read Article](#)

How Will the Shift from NAFTA to USMCA Affect the Auto Industry?

IndustryWeek - Owen Stuart

The Trump administration's unapologetic disparagement of the North American Free Trade Agreement (NAFTA) has resulted in a replacement agreement, announced October 1, with the governments of Canada and Mexico.



Now that NAFTA is called the United States-Mexico-Canada Agreement (USMCA), how has it changed besides in name?

The USMCA will implement four measures affecting automakers, (which we address in more detail in our white paper "U.S. & China: Tariff Impact Report"). [Read Article](#)

Canada Announces Tariffs on Steel Imports to Avoid Dumping

IndustryWeek - Bloomberg

Canada is applying quotas and a 25% tariff on steel imports from China and other countries to avoid becoming a dumping ground for steel in the face of metal levies imposed by U.S. President Donald Trump.



Canada will erect new barriers to any flood of shipments of seven types of foreign steel, and will issue refunds and exemptions to some Canadian firms on tariffs paid on imports from the U.S. [Read Article](#)

IMF Trims Global Growth Forecast

CFO.com - William Sprouse

The International Monetary Fund has cut its growth forecast for the global economy in 2018 and 2019, citing rising international trade tensions and higher oil prices.



The fund forecast that the U.S. economy would grow at 2.9% in 2018, but it said that rate would slow to 2.5% in 2019. "U.S. growth will decline once parts of its fiscal stimulus go into reverse," said IMF Chief Economist Maurice Obstfeld.

The IMF forecast China's 2018 growth rate at 6.6%, slowing to 6.2% next year. It cut its global growth assessment by two percentage points, to 3.7%, for this year and next year. [Read Article](#)

Trump Moves to Quit 144-year-old Postal Treaty

BBC

The US says the system for global postage charges puts the US at a disadvantage



The US has announced plans to withdraw from a 144-year-old postal treaty, which the White House says lets China ship goods at unfairly low prices. Under the treaty, a UN body sets lower international rates for packages from certain countries, a move originally designed to support poorer nations. But the US says the discounts put American businesses at a disadvantage. Officials said they hoped the notice of withdrawal would set the stage to agree a better deal.

"We're looking for a fair system," a senior administration official told reporters. "We do hope that ultimately we achieve a negotiated outcome." The BBC's Asia business correspondent Karishma Vaswani says the move to pull out of the treaty is aimed at forcing the Chinese to give up the developing nation status they had when they first entered the pact back in 1969.

How does the system currently work? [Read Article](#)

Global Steel Demand Forecast to Grow, but Slowly

American Machinist - Staff

The World Steel Assn. forecasts global steel demand will total 1.66 billion metric tons for 2018, 3.9% higher than 2017, and that 2019 demand will rise a further 1.4% to 1.68 billion metric tons. The figures are provided by World Steel's Economics Committee, which issued its



semi-annual Short-Range Outlook report for 2018. The current report signals that demand for steel has expanded by 41.8 million metric tons since the last SRO issued in April, and it sees 2019 demand increasing by 54.5 million metric tons over the previous forecast.

Al Remeithi, chairman of the World Steel Economics Committee, said: "In 2018, global steel demand continued to show resilience supported by the recovery in investment activities in developed economies and the improved performance of emerging economies. [Read Article](#)

The Iran Sanctions Are Coming for Your Supply Chain



IndustryWeek - Vince Nolan, Joe Pangaro

Most people—even those whose businesses require shipping products internationally—would be surprised to learn just how many companies are involved in the shipment of one 40-foot container. Even the most conservative estimate places the count around 10: (i) the seller, (ii) the insurer, (iii) the origin warehouse, (iv) the origin trucker, (v) the ocean carrier, (vi) the destination trucker, (vii) the destination warehouse, (viii) the buyer, and (ix) the freight forwarder.

Of course, privately owned ports, rail carriers, trucking subcontractors, ship charterers and ship brokers, to name a few, are often involved in commercial shipments as well, dramatically increasing the number of companies that might "touch" a single shipment. [Read Article](#)

China's Steel Production Hits New Highs

IndustryWeek - Bloomberg

China's steelmakers pushed production rates to record levels last month, underscoring a broadly bullish picture for mills in the world's biggest market as prices rally again.



Output of crude steel rose 7.5% on year to 80.85 million metric tons, according to the statistics bureau Friday. That means a daily rate of 2.695 million tons, beating the previous all-time high of 2.673 million tons posted in June. Output for the first nine months of the year climbed 6.1% to a record 699.42 million tons. [Read Article](#)

EU Hits China with New Steel Antidumping Probes

IndustryWeek - Bloomberg

China and the EU have joined a group of countries asking the World Trade Organization to investigate the Trump administration's decision to impose metals tariffs on national security grounds. In a separate filing, the U.S. asked the WTO to review those nations that retaliated against its duties.



The move sets the stage for a showdown at the Geneva-based trade arbiter that some fear could either lead to a U.S. exit or a flood of new protectionist measures invoking what has until now been a rarely used national security loophole in global trade rules. [Read Article](#)

Canada Backs ArcelorMittal, Won't Rule Out US Steel Quota Deal

IndustryWeek - Bloomberg

"Today's announcement really demonstrates a commitment to the steel industry and steelworkers," says Canada's industry minister. Canadian government funding for ArcelorMittal is the first of a series of steps the country will take to support the steel industry amid a tariff fight with the U.S., Canada's industry minister says.



Navdeep Bains announced on Oct. 19 funding of up to C\$49.9 million (US\$38 million), a mix of grants and loans, as part of a C\$205 million modernization project at the Hamilton, Ontario plant of the Luxembourg-based steelmaker's Canadian unit, ArcelorMittal Dofasco. [Read Article](#)

Ford Says Tariffs Makes US Steel Costliest in the World

IndustryWeek - Bloomberg

Domestic hot-rolled coil -- the benchmark price for American-made steel -- has gained 28% in 2018 as the administration implemented tariffs on imports.



Ford Motor Co. is escalating its criticism of the administration's metals tariffs that the company has already said took a \$1 billion bite out of profit.

"U.S. steel costs are more than anywhere else in the world," Joe Hinrichs, Ford's president of global operations, said on Oct. 22 at an event marking the start of Ranger pickup production at a factory west of Detroit. [Read Article](#)

China's Entrance Into WTO Cost U.S. 3.4 Million Jobs, New Study Finds

Coalition for a Prosperous America - Economic Policy Institute



The explosive growth in the U.S. trade deficit that came from China joining the World Trade Organization cost an estimated 3.4 million jobs, according to a new report released Tuesday.

The study of the impact in the growth in the trade deficit between 2001 and 2017, published by the Economic Policy Institute, showed that it hit the manufacturing sector in particular, where 74% of those jobs were lost. [Read Blog](#)

Education and Workforce Development News

Rating College Rankings

Community College Daily News - Jolanta Juskiewicz
It's fall, and not so long ago college rankings were all the talk.



The U.S. News and World Report released its list of the 2019 best colleges. Other organizations, some more recognizable than others, came out with their rankings as well, almost exclusively four-year institutions.

There was even an article to help navigate ranking college rankings sites. Of the 13 college ranking sites listed, the article concluded that "there's not all that much difference in the rankings with some notable exceptions. The usual suspects are at the top of most of the lists and all the others can be shuffled around in no particular order." [Read Article](#)

The Evolving Supply Chain Skills of the Workforce

IndustryWeek - Adrienne Selko

Supply chain management is a career that perfectly matches the skill set of the Millennial generation-if they can be persuaded to pursue it.



Perhaps it's not too much of a stretch to compare the changes that the current workforce is experiencing to the first time that human beings stood upright. This change certainly feels life-altering to employees who have gone from a world where intelligence resided in their own minds to now encountering and working directly with intelligence housed in machines.

"Robotics, Big Data manipulation, machine learning and artificial intelligence techniques are enabling machines to match or outperform humans in a range of work activities, including ones requiring cognitive capabilities," explains Richard E. Crandall, a professor in the College of Business at Appalachian State University, in an article for APICS. [Read Article](#)

Comment on Perkins V Guide

Community College Daily News

The U.S. Education Department is accepting comments on its draft Perkins V State Plan Guide. The deadline is December 24. To review the guide and related materials, visit regulations.gov and search for Docket ID number ED-2018-ICCD-0108. [Read Register](#)



Training and Organizational Development News

Let's Have a Meeting about Having Better Meetings

IndustryWeek - Elise Keith

There are over 55 million meetings in the U.S. alone each day. They don't all go well.



Bad meetings can often be blamed on a bad process or a lack of skills, but not always. Sometimes perfectly competent leaders run terrible meetings because the skills they've learned don't translate to the meeting they're in.

"I get the best work from companies that work with the big consulting firms," a facilitator once confided. "The executive team works with leadership consultants, and the factory managers work with the lean consultants. Then, when the executives and regional managers get together, it's like they're speaking foreign languages. It's a mess. They hire me to just get a basic conversation going." [Read Article](#)

Manufacturing Has a Serious Image Problem

IndustryWeek - Keith Barr

Across the country, Americans hold many misconceptions about the manufacturing industry. There's a widespread belief that the U.S. manufacturing industry is in decline, that jobs are going



overseas, and that the industry doesn't provide fulfilling or well-paying careers, particularly for younger workers.

But this couldn't be farther from reality. At Leading2Lean, a manufacturing software technology company, we recently commissioned a survey that investigated Americans' perceptions of the manufacturing industry. We then compared those perceptions to data from the U.S. Bureau of Labor Statistics, job website Glassdoor and the National Association of Manufacturers' research and social impact arm, the Manufacturing Institute. Survey provider Engine polled 1,000 online respondents who are nationally representative of U.S. demographics, using a 95% confidence level to yield statistically significant results. [Read Article](#)

Quality News

Dreamliners Are Being Grounded Again on Rolls-Royce Engine Flaws

IndustryWeek - Bloomberg

Flawed Rolls-Royce Holdings Plc engine blades are deteriorating faster than expected, prompting additional groundings of Boeing Co.'s 787 jetliners for emergency repairs.



The discovery affects about 120 Trent 1000 turbines and has frustrated efforts to reduce the number of idled planes, lifting the number grounded for immediate attention to just under 40, a person familiar with the situation said.

[Read Article](#)

Lockheed's Troubled F-35 Grounded by Pentagon After First Crash

IndustryWeek - Bloomberg

The U.S. Defense Department has temporarily suspended flight operations of Lockheed Martin Corp.'s F-35 after its first crash prompted inspections of the fighter jet fleet.



The suspension by the Pentagon is to allow "a fleet-wide inspection of a fuel tube within the engine on all F-35 aircraft," the Defense Department said in a statement on Oct. 11. The F-35 is the costliest U.S. weapons system.

The inspection is "driven from initial data from the ongoing investigation of the F-35B that crashed in the vicinity of Beaufort, South Carolina" on Sept. 28, according to the statement. The F-35B is the Marine Corps version of the aircraft.

Joe DellaVedova, spokesman for the Pentagon's F-35 office said inspections "are expected to be completed within the next 24 to 48 hours." [Read Article](#)

Looking Low and High for Lean

IndustryWeek - Jill Jusko

Lean is a management philosophy rife with misconceptions: Its goal is workforce reduction. It's useful only on the manufacturing floor. It eschews technology as a tool for improvement.



None of these statements is accurate, yet they all endure. Perhaps the most persistent misconception of all, however, is that lean has no place in a high-mix, low-volume manufacturing environment. It's meant for long, highly repetitive production runs, and used anywhere else it is doomed to fail. That belief is wrong, too, experts say. [Read Article](#)

Don't Let Your Best Ideas Die on the Plant Floor

IndustryWeek - Gianni D'Angela

It's common for production team members to have the best understanding of how essential processes work. Yet the distance between this group and upper management can sometimes act as a barrier that prevents the exchange of good ideas.



By bridging this gap, manufacturers can tap into the knowledge and experience of employees across the entire organization, increasing the opportunities to discover money- and time-saving improvements. [Read Article](#)

Cyber Security and IT News

Why The Tech Industry Wants Federal Control Over Data Privacy Laws

NPR Morning Edition - Dina Temple-Raston

New laws in Europe and California are forcing tech companies to protect users' privacy or risk big fines.



Now, the industry is fearing that more states will enact tough restrictions. So

it's moving to craft federal legislation that would pre-empt state laws and might put the Federal Trade Commission in charge of enforcement.

Europe enacted a tough law in May which requires, among other things, that companies make data breaches public within 72 hours of discovering them. That's why Facebook had to promptly announce last month that its systems had been hacked and at least 50 million user accounts were compromised.

[Read Article and Hear Podcast](#)

Cyber Attacks on the Rise at Colleges

Community College Daily News - Ellie Ashford

If administrators get an email from the college president, they shouldn't assume it's authentic. It could very well be a cyber attack from an imposter.



That has actually happened at several community colleges.

In a recent incident at the College of Central Florida, (CCF), a hacker knew President James Henningsen was out of town, says Henry Glaspie, associate vice president for information technology. The hacker sent an email to another vice president posing as the president that said his credit card was stolen and needed someone to wire him money. [Read Article](#)

The Big Hack: How China Used a Tiny Chip to Infiltrate U.S. Companies

Area Development - Bloomberg Business, Jordan Robertson and Michael Riley

In 2015, Amazon.com Inc. began quietly evaluating a startup called Elemental Technologies, a potential acquisition to help with a major expansion of its streaming video service, known today as Amazon Prime Video. Based in Portland, Ore., Elemental made software for compressing massive video files and formatting them for different devices. Its technology had helped stream the Olympic Games online, communicate with the International Space Station, and funnel drone footage to the Central Intelligence Agency. Elemental's national security contracts weren't the main reason for the proposed acquisition, but they fit nicely with Amazon's government businesses, such as the highly secure cloud that Amazon Web Services (AWS) was building for the CIA.

[Read Article](#)



Thousands Of Swedes Are Inserting Microchips Under Their Skin

NPR All Things Considered - Maddy Savage

Technology continues to get closer and closer to our bodies, from the phones in our pockets to the smartwatches on our wrists. Now, for some people, it's getting under their skin.



In Sweden, a country rich with technological advancement, thousands have had microchips inserted into their hands.

The chips are designed to speed up users' daily routines and make their lives more convenient - accessing their homes, offices and gyms is as easy as swiping their hands against digital readers.

They also can be used to store emergency contact details, social media profiles or e-tickets for events and rail journeys within Sweden.

Proponents of the tiny chips say they're safe and largely protected from hacking, but one scientist is raising privacy concerns around the kind of personal health data that might be stored on the devices. [Read Article and Hear Podcast](#)

Apple CEO Slams Silicon Valley Rivals Over Use of Data

IndustryWeek - Bloomberg

Apple Inc. Chief Executive Officer Tim Cook lashed into companies like Facebook Inc. and Google that collect user data, equating their services to "surveillance," as he touted the importance of privacy and legislation to protect it.



"This is surveillance and these stockpiles of data serve only to make rich the companies that collect them," Apple CEO Tim Cook said about Facebook and Google's data collection policies.

The comments, given at an EU privacy conference in Brussels on Wednesday, come months after the bloc implemented strict new data protection rules and as Apple begins to mend a difficult relationship with the EU following a clash over 13 billion euros in allegedly unpaid taxes. [Read](#)

Human Resource Management News

Is Zero Tolerance the Best Way to Stop Sexual Harassment?

IndustryWeek - David Sparkman

In the months since the #MeToo movement began last year, many employers have chosen to adopt a "zero tolerance" approach to sexual harassment-get caught doing it and you are fired. But voices argue that this policy is too extreme and can even be counterproductive.



"Zero tolerance is too blunt an instrument, and it may even increase bad behavior," warns Robin Shea, partner in the law firm of Constangy Brooks Smith & Prophete LLP. "By all means prohibit harassment, dishonesty and violence (and other bad acts), but don't have zero tolerance policies," she advises. [Read Article](#)

Why Morale Is More than 'Just Common Sense'

IndustryWeek - Rick Bohan

There is a lot of ground between knowing what to do and actually getting it done.



I wrote a couple of articles recently that refuted a common misconception among corporate leaders, one that says corporate culture and employee morale are one and the same. Another common argument that those of us in the social sciences hear is, "All that stuff you tell us about employee morale is just common sense." One of my university students wrote these very words on his or her teacher evaluation form this past semester.

What is it about the social sciences and their application to organizations that make their tenets seem to be no more than common sense? First, I think that many of the prescriptions of the social sciences sound like variations of "Do unto others as you would have them do unto you." They are seen as intrinsically "good" and, therefore, irrefutable. Second, most of the prescriptions are familiar. We've all heard them time and again. When it comes to human social behavior, there's not much new under the sun. [Read Article](#)

NLRB Targets Union Neglect of Members

IndustryWeek - David Sparkman

It looks like unions across the United States will find it more difficult in the future to escape charges filed by their members who feel they have been abused by union officials.



National Labor Relations Board General Counsel Peter Robb has instructed the board's regional offices to change the way they deal with what are termed duty of fair representation (DFR) charges. Specifically, the new instructions are seen making it more difficult for unions who previously had found it easy to offer a defense of "mere negligence" to escape the negative consequences of these claims. [Read Article](#)

Happy Manufacturing Day! Now Get to Work

IndustryWeek - Matthew B. Elliott

A new generation needs a new message around manufacturing, crafted not just from words, but with investment in training programs and real outreach to schools and underserved populations.



Manufacturing Day celebrates modern manufacturing and is intended to inspire the next generation of manufacturers. However, the American manufacturing industry is facing an identity crisis that is hurting its ability to reinvigorate its ranks. A combination of factors are at play, including the need for newer skills created by the digitized manufacturing landscape, as well as the shift from a Baby Boomer economy to younger generations. [Read Article](#)

4 Ways to Win the Talent War

IndustryWeek - Adrienne Selko

The talent war shows no signs of abating. Here's a startling statistic; 13 STEM jobs were posted online for each unemployed STEM worker in 2016. That translates to 3 million more jobs than job seekers.



With this level of competition, companies have devised some successful strategies to address this issue. [Read Article](#)

Mental Health Affects Three Out of Four U.S.

Workers

EHS Today Staff

More than three in four U.S. employees (76%) have dealt with issues negatively affecting their mental health, according to a new survey from the American Health Association (AHA).



The survey examined the effects of mental health in the workplace and the need for more awareness and resources for workers.

"With so many of our employees managing mental health conditions, it is our obligation to provide effective intervention and prioritize treating mental health on the same level as physical health," Johnson & Johnson Chairman and CEO Alex Gorsky said in a statement. [Read Article](#)

Environmental, Health & Safety News

The Issue with Stress

EHS Today - Stefanie Valentic

Upton Sinclair's *The Jungle* examined the working conditions of the slaughterhouse industry, leading to revolutionary changes in the way American companies treat their employees.



While workplace conditions have significantly improved with governmental oversight, legislation and OSHA, Americans in some industries still are feeling the psychological and physical effects of a negative work environment.

[Read Article](#)

ISO 45001: The Benefits of Change

EHS Today - Tim Sparey

A question I'm often asked is: If our current EHS management system is working for us, why should we be interested in ISO 45001?



OHSAS 18001 has been a very useful standard to help businesses structure their approach to managing health and safety, but 18001 will be retired in 2021 and we now have an actual international standard in ISO 45001.

Removing OHSAS 18001 is a dilemma for some organizations: why change if things are working? However, you can't be assessed against a retired standard. To continue to receive the benefits of external validation, moving to ISO 45001 is the best solution. ISO 45001 includes some very important improvements over OHSAS 18001, including greater emphasis on workers and their participation. [Read Article](#)

Wisconsin Manufacturer Settles Whistleblower Allegations

U.S. Department of Labor

The U.S. District Court for the Eastern Division of Wisconsin in Green Bay has awarded a machine operator \$100,000 in back wages and compensatory damages after his employer Dura-Fibre LLC - based in Menasha, Wisconsin - terminated him for reporting injuries he and a co-worker sustained.



The judgment resolves a law suit filed by the U.S. Department of Labor against Dura-Fibre LLC under the anti-retaliation provision of the Occupational Safety and Health Act (OSH Act). The court considered whether the company terminated the employee based on the company's policy of assigning disciplinary points to employees who reported injuries. The court found this policy to be a potential deterrent to reporting work-related injuries.

"This employee's commitment to workplace safety should be commended," said Occupational Safety and Health Administration Chicago Regional Administrator Kenneth Nishiyama. "Dura-Fibre has agreed to change its policy to allow employees to report work-related injuries without fear of discipline or retaliation." [Read Release](#)

Sincerely Stefanie: Preventing Workplace Bullying

IndustryWeek - Stefanie Valentic

October is Bullying Prevention Month. While most media outlets focus on schools and children, bullying runs rampant in the workplace as well.



The Workplace Bullying Institute (WBI), which works to raise awareness of the issue, says workers are targeted not because they are viewed as loners or weaklings. Instead, a worker, manager or supervisor might bully a fellow coworker because that person is viewed as a threat in their minds.

[Read Article](#)

Test Your Basic Machine Safety Knowledge

EHSToday

Machine guarding is consistently one of OSHA's top ten most cited violations each year.



Test your knowledge of common practices in machine safety integration as it pertains to both US and international safety standards. [Take Quiz](#)

NSC 2018: OSHA's Top 10 Violations for 2018

EHSToday - Stefanie Valentic

The list includes citations through Sept. 30, 2018. [See Slide Show](#)



Having trouble finding, selecting, training and keeping the skilled workers you need? Are your employee turnover costs a concern?

- Classes alone will not train workers to perform your tasks...
- Quality Control policies and Process Documents are not a substitute for task training...
- Wishing and hoping won't develop the skilled workers you need...

The cost of one worker malperformance or one worker's under-capacity or under-performance - due to lack of proper training - **can more than justify the investment to train all your workers properly!**

AND, structured on-the-job training takes place where, and while, the work is performed. You need no additional staff and structured on-the-job training **does not interrupt your work schedule like unstructured, haphazard and ad hoc training does. Most of the pieces are already there; they just need structure around them to make the training experience work for everyone through the [accelerated transfer of expertise™](#).**

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