



Proactive Technologies News

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The US is Ranked 12th in Talent, Topped By Those Pesky Socialist Countries. What's Gone Wrong?

by Dean Prigelmeier, President of Proactive Technologies, Inc.



In an IndustryWeek article entitled, "[Top 10 Countries For Talent](#)," it was reported that the IMB World Talent Ranking for 2018 placed the U.S. at 12th, behind many of those countries that are considered "socialist." How can that be? Could it be that countries 1-11 found a balance between a thriving model of capitalism and an economy that filters down to all?

It appears that these countries have deliberate strategies for sustained growth. They cultivate relationships with trading partners to "lift more boats" than just those at the top, and seem to do pretty well with their form of democracy. Their societies reflect this stability in the standards of living, mortality rates, health of their people, lower crime rates and lower numbers of suicides mass incarceration.

It wasn't all that long ago that the United States set a high bar for educational attainment, upward mobility, access to healthcare and income security during working years and in retirement. But by most of these measures, the U.S. has continued to slide embarrassingly backward - sometimes as low with some measures to what the world considers a "developing country."

In 2018, the Organization for Economic Cooperation and Development announced the results of its 2015 rankings of 72 participating countries for the PISA ([Programme for International Student Assessment](#)). The U.S. ranked as follows: Reading - 35th; Math - 24th; Science - 25th.

United States PISA Test Results

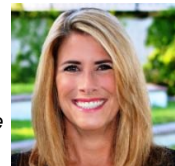
Year of PISA Test	Reading	Math	Science
2015 (72 countries)	35	24	25
2012 (65 countries)	28	24	25
2009 (65 countries)	33	15	31
2000 (31 countries)	18	15	14

* Scores from OECD - PISA

So it was really no surprise when it was revealed that the U.S. ranked 12th in talent in 2018. [Read More](#)

Thinking Past the Assessment - Unfinished Goals and Unrealized Expectations

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



Literally speaking, an "assessment" is the process of measuring the value, quality and/or quantity of something. There are [many types of assessments](#), and methods for assessing. In theory, it is the process of evaluating one thing against a set of criteria to determine the match/mismatch.

There are assessments for risk, for taxes, vulnerability. There are psychological, health, and political assessments. There is a group of educational assessments that measure a variety of outcomes such as educational attainment - assessments of course content mastery, assessment of grade level attainment, assessments of Scholastic Aptitude Tests ("SAT") that compare a student to their peers nationally and a variety of college readiness exams.

"Determining that you, indeed, hired the right person for the job will

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

Experience the power of the [accelerated transfer of expertise™](#)

Develop all the expert workers you need in a fraction of the time, with a fraction of the investment!

Increased worker capacity, work quality and quantity, and worker compliance (ISO9001:2015, AS9100D, TS16949, engineering and quality specifications, and safety requirements).

Proactive Technologies' Publications Archive

To download a .pdf version of this issue, find the link at the bottom of this month's post on our web site's [News and Publications](#) page or click [Proactive Technologies Report June 2019 Issue](#). While at our web site, check out past newsletters, articles and more.

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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**

not automatically ensure the person is successful in learning and mastering the job. The most important step in the employment process is seeing to it that the individual's core knowledge, skills and abilities are applied in learning and mastering the tasks which they were hired to perform. That is where the money is made."

Educational assessments have been adapted for use in workforce development and employment, used to assess a prospective employee's suitability for a job opening. They often measure more of what, if anything, a student learned and retained before graduating than how they match the employer's actual job opening. Psychological assessments have been adapted to measure a prospective employee's sociability to the workplace, morphing into a new category called "[psychometric assessments](#)." [Read More](#)

Is the "Gainful Employment" Requirement For Education Realistic?

by Dr. Dave Just, formally Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting



In May, the U.S. Education Department sent out reminders to universities of the July 1 deadline to update their websites to include specific information to comply with U.S. Obama-era "[gainful employment](#)" regulations. A few weeks later it was revealed that the U.S. Department of Education is expected to publish, soon, its [final regulation to eliminate the so-called gainful employment rule](#). However, it may not go away entirely. Proponents of the rule say Congress might later choose to alter the regulation in the reauthorization of the Higher Education Act (HEA), which would require the department to again address the issue.

Like a lot of policy discussions of today, the confusion over gainful employment - which ought to be a given - mistakenly focuses on the "supply-side" of the equation. No matter how much tinkering goes on with the rule, if employers and government policy fail to provide the quality jobs with quality compensation levels for which the focused college learning is directed, gainful employment may remain an unachievable goal.

In the 1990's, computers and microprocessors began to appear in more and more aspects of a broader range of occupations. The alarms went off that this was going to dramatically and significantly alter the nature of work and the skills required in the future. Education at all levels began to reexamine its learning models and content in an, often, futile attempt to "keep up with change," never mind get ahead of it.

"Futile" since, concurrent with this transformation, government was compounding this disruption with trade agreements and incentives to a smaller and smaller concentration of corporations that encouraged the exportation of the jobs that education programs were targeting. Additionally, employers imported workers to fill these positions (through visa programs) who would perform the same work at a fraction of the established compensation levels - many of whom attended the same U.S. education institutions. [Read More](#)

Is an Apprenticeship Without Structured On-The-Job Training an Apprenticeship?

by Dean Prigelmeier, President of Proactive Technologies, Inc

Career and vocation-focused training is a pivotal point in every current and future worker's life. This world is overwhelmed by forces that make the effort more difficult for the education and training providers, more urgent and critical for the learner, more scrutinized by the employer and constantly measured against time; how long the training takes (which determines costs) and the relevance of the skills acquired to the targeted job which is always moving to the next level of technology. If the training is not "continuously improved" and maintained to be predominantly current and accurate, the graduate may find that jobs for which the new-found skills were targeted now marginally or, even worse, no longer exist.

In theory, apprenticeships offer a promising approach for traditional trades and crafts. As of 2008, more jobs can be registered as apprenticeships with new models accepted by the U.S. Department of Labor. If the program is based on a sound structure and methodology (one that can work for any type of job classification), an apprenticeship capstone - the job-related, employer-based training - would be maintained current and accurate for at least the employer apprenticeship host. Without this component, an apprenticeship experience may be as hollow as some of the for-profit

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

educational chains which are often criticized for high costs and low placement rates.

"No one would ride in a plane flown by a pilot with only classes and simulator time, have surgery by a surgeon that hasn't yet operated on a live human, or receive a root canal from a dentist with no "live-patient" time. Certified mastery of the tasks that define each of these jobs is what makes the 'license to practice' credible. And there is a difference between 'a pilot' and 'the pilot.' Having a pilot license certifies you to fly planes, not a specific plane; you still have to have training and be certified to apply your craft to flying that plane. With the [hybrid approach](#) to apprenticeships, both are accomplished at the same time."

The term "apprenticeship" has taken on many new meanings in the rush to increase the number of apprentices in the United States. Some 2-year community college programs that have been around a while have been re-branded in an effort to give new life to the same programs of worker development. Some have been thrown together to position an organization for the anticipated flood of grant dollars to find apprentices. Many of these are less "employer-centric" and more "industry-friendly" in spirit. Yet, it is important to remember that the ultimate beneficiaries of an apprenticeship should be the apprentice, the employer, the community, the industry and then the workforce development community, in that order. This should always be the focus and priority. [Read More](#)

Proactive Technologies'
**Spring "Turn-Key Project"
Discount Offer**
expired April 30th, 2019

However, the value of the PROTECH™ system of *managed* human resource development remains! And pilot program approaches, scale-discounts and opportunities for reimbursement are still available!

- Capture worker expertise for accelerated transfer;
- Increase worker capacity, work quality, work quantity and compliance (ISO/AS/TS and OSHA);
- Lower turnover rates;
- Lower your firm's internal costs of training!

Higher return on each worker investment!

[Learn more](#) and get ready to maximize worker performance and return on worker investment...while minimizing your investment to do so!

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

June, 2019

Colorado (Eastern Slope)

Indiana

Kansas (Kansas City, Topeka and I70 Corridor)

Kentucky (North and Eastern)

Missouri (Kansas City, St. Louis)

Minnesota/North Dakota (Fargo-Moorhead)

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)

Contact Us to express your interest in an onsite or group presentation.



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.

Experience the power of the **PROTECH™** system of **managed** human resource development!

What keeps you up at night? Is one of them what will happen to worker and organizational capacity if staffing levels change (increase or decrease)? Or if changes in market conditions, technology, processes, organizational structure and product lines change the work to be performed? **Do you feel prepared?**



THE SOLUTION IS REALLY PRETTY SIMPLE

1. Capture current expert worker expertise and manage it for change;
2. Use it to accelerate the transfer of expertise to next worker;
3. Measure and improve processes and worker performance;
4. Monitor progress and report.

You probably have all the pieces of a strong worker training program in place. **What you may be lacking is a proven method and support to set your system up and provide implementation technical support so you can focus on business.**



Why not take a few minutes to find out more about Proactive Technologies' **PROTECH™** system of **managed** human resource development for the **accelerated** transfer of expertise™?

Low investment - high return! Increased worker capacity, work quality/quantity, and compliance... all while decreasing your internal costs of training!



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Industry News

DOMESTIC ECONOMIC DATA

Gross Domestic Product - 1st quarter 2019 (second estimate); Corporate Profits, 1st quarter 2019 (preliminary estimate)



US Department of Commerce - Bureau of Economic Analysis

Real gross domestic product (GDP) increased at an annual rate of 3.1 percent in the first quarter of 2019, according to the "second" estimate released by the Bureau of Economic Analysis. In the fourth quarter, real GDP increased 2.2 percent. [Read Report](#)

Personal Income, Outlays

US Department of Commerce - Bureau of Economic Analysis

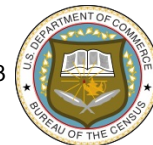


Personal income increased 0.5 percent in April after increasing 0.1 percent in March. Wages and salaries, the largest component of personal income, increased 0.3 percent in April after increasing 0.4 percent in March. [Read Report](#)

Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured goods in March increased \$9.3 billion or 1.9 percent to \$508.2 billion. March 2019: +1.9% change; February 2019 (r): -0.3% change. [Read Report](#)



Advanced Report on Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured durable goods in April decreased \$5.4 billion or 2.1 percent to \$248.4 billion. April 2019: -2.1% change; March 2019 (r): +1.7% change. [Read Report](#)



Job Openings and Labor Turnover

US Bureau of Labor Statistics

Job Openings and Labor Turnover data for April 2019 are scheduled to be released June 10, 2019, at 10:00 A.M. Eastern Time.



NASA Says Aluminum Fraud Caused \$700 Million Satellite Failures

IndustryWeek - Bloomberg

Faulty materials supplied by a unit of Norsk Hydro ASA, one of the world's top aluminum producers, led to more than \$700 million of losses in two failed NASA satellite launch missions, according to an investigation by the space agency.



NASA's Orbiting Carbon Observatory mission in 2009 and Glory mission in 2011 didn't reach orbit and broke-up on re-entry into the Earth's atmosphere



- **Accelerated Transfer of Expertise™**;
- Increased worker capacity, productivity, work quantity, work quality and compliance (specifications, ISO/AS/TS programs and safety mandates);
- Decreased internal costs of training;
- **Higher return on worker investment!**

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!**

There's nothing to lose by [contacting us](#) to learn more.

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for
Innovation
and
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ORGANIZATION
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CONSULTING

- Job-Relevant Technical

after separating from Taurus XL rockets. Aluminum producer Sapa Profiles Inc. had altered test results and provided false certifications to the rocket's manufacturer relating to extrusions used in a key component for the payload delivery system, NASA said in a statement. [Read Article](#)

Lockheed Opens F-16's New Home

ThomasNet - David Mantey

Since 1976, 4,588 F-16s have been manufactured; approximately 3,000 of them are still in service in 25 countries.



On April 23, 2016, Lockheed Martin hosted a ribbon-cutting ceremony to christen a new F-16 production line in Greenville, South Carolina.

The F-16 tooling and equipment were moved from the company's production line in Fort Worth, Texas. Up until November 2017, the Texas-based facility had made F-16s since 1977.

The line in Fort Worth produced 3,620 F-16s and Lockheed Martin hopes to continue the tradition in a refurbished hangar in Greenville. The company plans to begin manufacturing F-16 Block 70 aircraft sometime this year. [Read Article](#)

Boeing Draws \$5.7B Contract for Refueling Aircraft

American Machinist - Staff

10-year award covers recurring and non-recurring work to prepare the K-46 Pegasus refueling aircraft for combat capability.



Boeing Defense, Space and Security has a new \$5.7-billion contract from the U.S. Dept. of Defense for post-production work on K-46 Pegasus tanker aircraft, to prepare the U.S. Air Force's aircraft refueling fleet for combat. The work will be performed through April 28, 2029.

"This contract provides for a broad range of post-production related non-recurring and recurring requirements," according to a DoD announcement. The KC-46 Pegasus is a widebody, multirole tanker built from Boeing 767 commercial jets, and designed to refuel all U.S., allied, and coalition military aircraft compatible with international aerial refueling procedures. According to Boeing, the KC-46 is designed to carry passengers, cargo, and patients, and it can detect, avoid, defeat and survive threats using multiple layers of protection, so it will be available to operate in medium-threat environments. [Read Article](#)

US Factory Gauge Falls to Two-Year Low as Orders, Output Cool

IndustryWeek - Bloomberg

Still, the measure indicates that manufacturing continues to expand, but at a slower pace.



A gauge of U.S. factories fell in April to the weakest level since late 2016, signaling that manufacturing headwinds extended into the second quarter as companies continue to confront uncertainty about trade.

The Institute for Supply Management index slumped to 52.8 from 55.3 the prior month, missing all estimates in Bloomberg's survey while holding above the 50 level that signals expansion. Three of five components declined, including new orders, employment and production, according to the report. [Read Article](#)

Opioid Executive John Kapoor Found Guilty In Landmark Bribery Case

NPR Morning Edition - Gabrielle Emanuel

A jury in Boston has found onetime billionaire and drug company executive John Kapoor and his four co-defendants guilty of a racketeering conspiracy. The verdict came Wednesday after 15 days of deliberation.



The federal government accused Kapoor, the founder of Insys Therapeutics, and his co-defendants of running a nationwide bribery scheme. Between 2012 and 2015, Insys allegedly paid doctors to prescribe its potent opioid medication and then lied to insurance companies to ensure that the expensive fentanyl-based painkiller would be covered.

Kapoor is among the highest-ranking pharmaceutical executives to face trial amid a national opioid epidemic. By pursuing this case, the federal government was seen as sending a message that it is holding drug companies accountable for their role in the epidemic. [Read Article and Hear](#)

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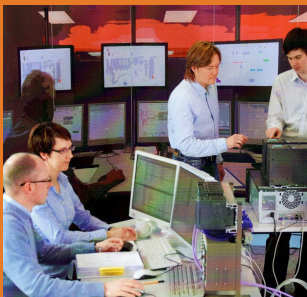
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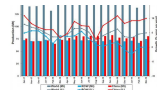
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[Podcast](#)

Steel Output Strong in China, U.S.

American Machinist - Staff

March raw-steel production increased 4.9% year-over-year and 4.5% year-to-date worldwide, thanks largely the results in two major producer nations



Global steel production rebounded during March with 155 million metric tons produced across 64 countries following tepid results during January and February. In fact, the results were especially solid in China and the U.S., while other major steel-producing nations delivered totals that were down or flat for the latest month.

Through the first quarter of 2019, global raw-steel production was 444.1 million metric tons, up by 4.5% compared to January-February 2018. The data is provided by the World Steel in its monthly raw-steel production report, which presents output from about 99% of the world's installed capacity. [Read Article](#)

Boeing's Blunders, and What We Can Learn from Them

IndustryWeek - Steven L. Blue

Things were going so well, until they weren't. What went wrong?



Boeing just came off the best year in its history. And now it faces a crisis that could very well end the company. How can this be? Last year, Boeing surpassed Airbus as the biggest aircraft manufacturer in the world. It snapped a five-year Airbus winning streak. It seemed Boeing was finally on a roll.

Arrogance Breeds Ignorance [Read Article](#)

BMW Profit Sinks on Weaker Markets, \$1.6 Billion Provision

IndustryWeek - Bloomberg

Automotive unit swung to loss for first time since 2009.



BMW AG's automotive division swung to a loss for the first time in a decade as car prices slumped and a legal provision over alleged collusion ballooned to 1.4 billion euros (US\$1.6 billion).

Excluding the set-aside, earnings at the carmaker's main unit fell by 42% to 1.1 billion euros in the first quarter. Price competition in some markets and spending on new technology cut into profit, the luxury carmaker said Tuesday in a statement.

To deal with the pressures, BMW in March announced a 14 billion-euro savings plan, culling models and cutting development time. While the second half of the year should improve with sales of new 3-Series and X7 sport utility vehicle, trade tensions are on the rise again. [Read Article](#)

Want to Really Celebrate Small Business Week? Give Entrepreneurs Less Talk, More Action

USA Today - Rhonda Abrams, Special to USA TODAY

It's National Small Business Week, so you'll hear a bunch of platitudes about small business: "Small business is the backbone of the economy, creates new jobs, is the American dream, yada, yada..." All true, but how does that help you? I've been involved with the small-business community for 25 years, and it's time for straight talk and real help for small business and startups. It's time for a "Small Business Manifesto."



First, let's level the playing field for small businesses:

Tax all sales in a location equally.

Whether you buy something in a brick-and-mortar location or over the Internet, the tax should be exactly the same. Two decades of preferential sales tax for online sales has decimated small local businesses.

Sharpen the FTC's teeth.

The Federal Trade Commission has become a virtual rubber stamp for mega-mergers. The huge corporations formed by these mega-mergers make it far more difficult for small and mid-size companies to compete and result in fewer choices, worse service, and higher prices for small businesses. It's time for a new approach to anti-trust and a 21st century "trust buster" movement.

Reinstate net neutrality. [Read Article](#)

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MEMORABLE QUOTES

"The greatest waste ... is failure to use the abilities of people...to learn about their frustrations and about the contributions that they are eager to make."

ITT Buys German Pump Manufacturer Rheinhütte

ThomasNet - David Mantey

On May 1, 2019, ITT announced that the company had completed the acquisition of Rheinhütte Pumpen Group from Aliaxis Group S.A.



Rheinhütte designs and manufactures centrifugal and axial flow pumps, and the move should expand ITT's industrial pump portfolio. ITT first announced the deal on February 22, 2019, which took a little over two months to complete.

Based in Wiesbaden, Germany, Rheinhütte has about 430 employees spread across three primary manufacturing locations. The company reported 2018 revenue equivalent to \$68.8 million.

According to ITT, the acquisition will improve the company's industrial pump portfolio, particularly components for abrasive, corrosive, and high-temperature environments. [Read Article](#)

Facebook Co-founder Chris Hughes: Social Network Should Be Broken Up

USA Today - Brett Molina

Chris Hughes, a co-founder of Facebook, said the government must hold the social networking giant accountable after a series of missteps and break it up.



In an opinion piece published by The New York Times, Hughes said he feels "a sense of anger and responsibility" for Facebook's direction, which included a massive privacy scandal involving unauthorized access to user information by political consulting firm Cambridge Analytica.

Hughes also said the power of Facebook CEO Mark Zuckerberg is "unprecedented and un-American," citing his control of 60% of voting shares and his direct role in configuring News Feed algorithms or how users can maintain their privacy.

"Mark is a good, kind person. But I'm angry that his focus on growth led him to sacrifice security and civility for clicks," wrote Hughes. "I'm disappointed in myself and the early Facebook team for not thinking more about how the News Feed algorithm could change our culture, influence elections and empower nationalist leaders. And I'm worried that Mark has surrounded himself with a team that reinforces his beliefs instead of challenging them." [Read Article](#)

Snapshot of the U.S. Railway Industry [Statistics]

ThomasNet - Kristin Manganello

Welcome to Thomas Insights - every day, we publish the latest news and analysis to keep our readers up to date on what's happening in industry. Sign up here to get the day's top stories delivered straight to your inbox.



The entire U.S. rail network totals 155,300 miles

The American railroad system symbolizes the country's past, present, and future. For years, trains were the primary mode of long-distance travel and distribution, helping to transform America from a fledgling nation to a global industrial powerhouse.

Over the last century, the railroad's role in American society has changed considerably; while automobiles and airplanes have become more popular for passenger travel, the rail system still serves as a crucial component of the freight logistics industry, continuing to bolster the United States' position in the global economy.

U.S. Railway Industry: By the Numbers [Read Article](#)

J&J Said to Pay About \$1 Billion to Settle Metal-Hip Suits

IndustryWeek - Bloomberg

Surgeons extracted the Pinnacle implants in 6,000 cases because of defects that left patients unable to walk and in pain.



Johnson & Johnson agreed to pay about \$1 billion to resolve most law suits claiming it sold defective metal-on-metal hips that ultimately had to be removed, according to people with knowledge of the matter.

With the agreement, J&J has now resolved more than 95% of the 6,000 cases in which surgeons extracted the Pinnacle implants because of

[W. Edwards Deming](#)

American engineer, statistician,
professor, author, lecturer, and
management consultant
1900-1993

"Experiential learning is: education that occurs as a direct participation in the events of life"

[Cyril Houle](#)

Educator, Writer, Expert in Adult
Education
1913 - 1998

"For the only way in which a durable peace can be created is by world-wide restoration of economic activity and international trade."

[James Forrestal](#)

Last Cabinet-level United States
Secretary of the Navy and the first United
States Secretary of Defense
1892 - 1949

Recent Proactive Technologies News Article Quicklinks

May

[The Connection Between Worker Capacity, Organizational Capacity and Output](#)

by Dean Prigelmeier, President of
Proactive Technologies, Inc.

[Are Advances in Technology Distracting, Rather Than Assisting, HR From the Fundamentals of Worker Selection and Development?](#)

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

[The Key To Effective Maintenance Training: The Right Blend of Structured On-The-Job Training and Related Technical Instruction](#)

by Dr. Dave Just, formally Dean of
Corporate and Continuing Education at
Community Colleges in MA, OH, PA, SC.
Currently President of K&D Consulting

[Enterprise Expansion/Contraction and Worker Development Standardization](#)

by Dean Prigelmeier, President of
Proactive Technologies, Inc.

April

[More Education Won't Fix Flat or Declining Wages, But Appropriate Compensation and Stable Job Markets Can Make College Worth It](#)

by Dean Prigelmeier, President of
Proactive Technologies, Inc.

[Your Resident Expert May Not Be an Expert Trainer, But Easily Could Be](#)

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

defects that left patients unable to walk and in pain, according to two people familiar with the settlements. They spoke on the condition of anonymity because they aren't authorized to talk publicly about the accords. [Read Article](#)

GM in Discussion to Sell Lordstown, Ohio, Plant

IndustryWeek - Staff

General Motors Co. released a statement on May 8 saying that it is discussions with Workhorse Group Inc. and an affiliated, newly formed entity to sell the company's Lordstown Complex in Lordstown, Ohio.



The company said the move has the "potential to bring significant production and electric vehicle assembly jobs to the plant. Upon final agreement, the entity, led by Workhorse founder Steve Burns, would acquire the facility. Workhorse would hold a minority interest in the new entity."

"This potential agreement creates a positive outcome for all parties involved and will help solidify the leadership of Workhorse's role in the EV community," said Workhorse CEO Duane Hughes in a statement. [Read Article](#)

What Happens to a Factory Town When the Factory Shuts Down? NY Times Logo

Area Development - The New York Times

Early in the morning on Nov. 26, 2018, Dave Green, the president of Local 1112 of the United Auto Workers, which represents workers at a General Motors plant in Lordstown, Ohio, received a call from the plant's personnel director. Green needed to be at the plant at 9 a.m. for a meeting. The personnel director rarely called Green, and when he did, it was almost always bad news. Green got into his car - a silver Chevy Cruze - and sped toward the hulking 6.2-million-square-foot factory, which had manufactured nearly two million Cruzes since the car was introduced in 2011.

"Management walks in 15 minutes late," Green recalled, "and they say, 'Hey, we're going to unallocate the plant' - that was it."

Green had never heard the term before, but he soon found out that it meant his members would no longer have a car to build. The Cruze was finished, and G.M. had no plans to make anything else at Lordstown. [Read Article](#)

Aircraft Production, Defense Spending Driving Aerospace Sourcing [Industry Index]

ThomsonNet - Tony Uphoff

Hello. In this week's special industry-focused edition of the Thomas Index Report, we're going to take a look at what buyers in the aerospace industry are sourcing on the Thomasnet.com platform.

This is the first of a series of industry indexes we'll be presenting in the coming months, each of which will focus on sourcing activity for products and services by buyers within a specific industry vertical.

Through user registration information and IP technology, Thomas is able to identify buyers at their company level when they evaluate suppliers on Thomasnet.com, and subsequently identify the industry they focus on. This gives us unique insight into sourcing trends across the full spectrum of industry verticals.

Over the past 12 weeks, aggregate sourcing activity by ALL buyers representing thousands of aerospace-related businesses has seen a 31% increase on our platform. This follows a strong 2018 in which the industry saw growth driven by increasing passenger travel demand and rising global military expenditures. [Read Article](#)

Pentagon Contractor's 9,400% Profit on Half-Inch Pin Challenged

IndustryWeek - Bloomberg

The Pentagon is weighing legislation that would give contracting officers the power to demand back-up data on spare parts costs after its inspector general said TransDigm Group Inc. could be paid about 9,400% in excess profit for a half-inch metal pin.



The Defense Logistics Agency could end up paying TransDigm \$4,361 for the "drive pin" in a July contract that should cost \$46, according to a Pentagon review endorsed by the inspector general.

The review found potential excess profits for 98 of 100 parts sampled and concluded the Pentagon may end up paying TransDigm \$91 million more in coming years for parts valued at \$28 million, with excess profit per part of

Put Yourself in a Trainee's Shoes
by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

Worker Capacity: Malperformance Cause-Effect

by Dean Prigelmeier, President of Proactive Technologies, Inc.

March

Eight Scenarios That Would Make You Wish You Had a Structured OJT System

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Employers Say They Struggle With a "Skills Shortage," Yet They Cut the Training Budget. What Gives?

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

Some Community Colleges Moving Back Toward 70's Approach to Vocational Programs; Why Did it Take So Long?

by Dr. Dave Just, formally Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting

Can't Find The Right Workers? Why Not Train Workers To Your Own To Specification?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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Is it Possible to Close the "Skills Gap" if Focused on the Symptom, Not The Cause?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Internships of Value - For Employer and Intern

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

Workforce Development Partnerships That Last: My Experience

By Randy Toscano, Jr., MSHRM, CEO of Legacy Partners 2

Do U.S. Productivity Measures Measure Productivity?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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Yet Another Reason Structured On-The-Job Training Should Be Part of Any Company's Business Model - New ISO 30414 Standards for Human Capital Metrics

by Dean Prigelmeier, President of Proactive Technologies, Inc.

A "Pay-for-Value" Worker Development Program - Fair to Management and Workers, and Effective Tool

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

95% to the 9,380%, the Defense Department's inspector general said in an audit labeled "For Official Use Only" and obtained by Bloomberg News. [Read Article](#)

Will Scootermania End With A Crash?

NPR Planet Money - Greg Rosalsky

Electric scooters have invaded the world's cities. They wind down streets and lie abandoned in the middle of sidewalks, bringing both convenience and annoyance to city dwellers. There are now dozens of scooter-sharing companies, and the two biggest, Bird and Lime, are the fastest startups to reach a valuation of \$1 billion in U.S. history. Each company is now valued at over \$2 billion. Scooteristas claim it's a sign that they're revolutionizing transportation, but... really?



Scootermania

Big Scooter argues that technology - electric motors, better batteries, GPS, and smartphones - has produced a system of shareable scooters that can solve infrastructure problems, decongest commutes, limit climate change, and make investors buckets of money. They're calling it the "micromobility revolution." Last year, there were 38.5 million trips on shareable e-scooters in the U.S., which is more than double the year before.

The business model of these companies is pretty simple: flood a city with hundreds of scooters for passersby to rent. You can locate and pay for them using your smartphone, and they typically cost \$1 plus 15 cents per minute. Then leave them wherever you want. [Read Article](#)

Tesla Fires Sound Alarms About Safety of Electric-Car Batteries

New Equipment Digest - Bloomberg

While the risk of fires for EVs is comparable to gas or diesel-fueled models, safety risks may increase as manufacturers work to boost performance and push battery cells closer to their limit.



Electric vehicles may be less prone to catch fire than gas guzzlers, but recent blazes involving Tesla Inc. and NIO Inc. cars in Greater China are prompting the industry to take steps to alleviate concerns from potential customers in the sector's biggest market.

Worries heightened after reports emerged of a fire involving a Tesla in a Hong Kong parking lot. Weeks earlier, a video on Chinese social media platforms showed a Tesla bursting into flames in a Shanghai garage. Separately, NIO said last month that one of its ES8 vehicles caught fire in the northwestern city of Xi'an while being repaired. [Read Article](#)

Ford Slashing 7,000 Jobs as Sweeping Disruption Hits Automakers

IndustryWeek - Bloomberg

CEO Hackett says cuts to be completed by the end of August.



Ford Motor Co. plans to eliminate about 7,000 salaried jobs -- about 10% of its global white-collar workforce -- as pressures mount on the auto industry to keep up with technological shifts amid a global sales slowdown.

Eliminating the positions will save Ford about \$600 million a year, Chief Executive Officer Jim Hackett wrote in a memo to employees Monday. The majority of the cuts will be completed by May 24 in North America, and by the end of August in regions including Europe, China and South America. [Read Article](#)

BMW CEO Future in Doubt as Tensions Erupt on Tackling Shift

IndustryWeek - Bloomberg

BMW AG Chief Executive Officer Harald Krueger's job is on the line over concerns he's not aggressive enough in steering the luxury carmaker's titanic shift toward electric and autonomous vehicles, people familiar with the matter said.



Some supervisory board members are questioning whether he's the right choice to lead the company and will discuss the CEO's second-term prospects in the coming weeks, the people said, asking not to be identified discussing confidential deliberations. Krueger's current tenure ends next May, with an announcement on his future due in June or July. The shares rose as much as 0.8% in Frankfurt on Wednesday. [Read Article](#)

The Green New Deal Has Value-and Needs Manufacturing to Work

IndustryWeek - Keith B. Belton



Inc.

[Proactive Technologies Discount Program Ends, But... "Low-Risk" Pilot Approach Option Remains in Effect](#)

by Proactive Technologies, Inc. Staff

[Grow Your Own Multi-Craft Maintenance Technicians - Using a Systems Approach to Training](#)

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[Replicating Your Best Performers](#)

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December

[Is It Possible To Improve Worker Performance Without Documented Task Mastery?](#)

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["Realistic Job Previews" Can Be a Useful Tool for Measuring a Prospective Employee's Transferable Task-based Skills](#)

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[Confusion Over What Constitutes "Training" is Stumbling Block to Effective Worker Development Strategies](#)

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November

[A Training Approach That Should Make the Bean Counters Happy](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc

[Increasing Worker Capacity - An Alternative to Cutting Workers for Short-term Cost Savings](#)

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

[10 Reasons Structured On-The-Job Training is a Vital and Necessary System for Any Organization](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[A Simple, Low-investment Solution to Closing Skill Gaps: New-Hires and Incumbents](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

October

[When Wages Rise for Skilled Labor, Can Your Firm Maximize Worker Value and Minimize Investment?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

What is the Green New Deal? Republicans call it "an economic sledgehammer to America's middle class." Democrats say it is the only plan to address climate change on the scale of the crisis. Both Democrats and Republicans see it as a defining issue for the 2020 election. But few realize that a growing manufacturing sector is necessary for its implementation.

In a nutshell, the Green New Deal (GND) is a proposal to address the issues of climate change and wealth inequality through a stimulus package akin to the 1930s New Deal, which was designed to end the Great Depression. Embraced strongly by the left wing of the Democratic Party, the GND aims to mobilize political support by linking two social issues under an ambitious plan of government intervention.

In February, a non-binding congressional resolution in favor of the GND was introduced in both the House of Representatives and the Senate. According to the resolution, the goals of the GND include achieving net-zero greenhouse gas emissions; creating millions of high-wage jobs; and investing in infrastructure and industry to meet the challenges of the 21st century. These goals are to be accomplished through a 10-year national mobilization effort, including spurring "massive growth" in "clean manufacturing." The 10-year mobilization effort will require "guaranteeing a job with a family-sustaining wage, adequate family and medical leave, paid vacations, and retirement security"; "strengthening and protecting the right of all workers to organize, unionize, and collectively bargain;" and "enforcing trade rules . . . to stop the transfer of jobs and pollution overseas and to grow the domestic manufacturing in the United States." [Read Article](#)

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Sikorsky Draws \$1.13-Billion Helicopter Contract

American Machinist - Staff

Order calls for 12 King Stallion heavy-lift cargo helicopters for the USMC



Sikorsky Aircraft has drawn a new \$1.13-billion contract modification from the U.S. Navy to proceed on low-rate initial production for 12 new CH-53K helicopters. Sikorsky is a Lockheed Martin Corp. subsidiary.

The Sikorsky CH-53K "King Stallion" is a heavy-lift cargo helicopter developed for the U.S. Marine Corps to replace an earlier version, CH-53E, that has been in use since 1981. The CH-53K design emphasizes "low maintenance, high availability and enhanced survivability in the most austere and remote forward operating bases."

The King Stallion is equipped with single, dual, and triple external cargo hook capability that allows for transfer of three independent external loads to three separate landing zones, in support of distributed operations in a single sortie, without having to return to a ship or other logistical hub. [Read Article](#)

At 21, He Built an EV in His Garage. 10 Years Later, Hyundai is Giving Him \$90 Million



ThomasNet - Anna Wells

It seems there's been no shortage of global electric vehicle startups. It's just that, once they've "started up," can they stay up?

No doubt, the likelihood of success improves greatly when your EV company gets substantial backing. Even better? When those stakeholders are other established automakers.

So goes the story of Croatia-based Rimac Automobili, which just might be the most unlikely of success stories. That's because the company was established in 2009 by then-21-year-old Mate Rimac, who built an electric car in his garage.

Ten years later, Rimac is all grown up and employs 500 workers. The company also recently announced an influx of cash from a joint effort by Hyundai and Kia. The automakers will dump about \$90 million into the electric vehicle maker and also plan to establish a strategic partnership where they'll collaborate on high-performance EVs. [Read Article](#)

Improve Production With This Injection Mold Setup Checklist

ThomasNet - Staff Writer

The mold setup procedure is an unavoidable part of injection molding. During this process, the molding machine is shut down for a period of time while the mold is changed. Sometimes, however, setups are mismanaged and, as a result, machines sit idle for far longer than they have to.



Retiring Workers and the Tragic Loss of Intellectual Property and Value

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

Apprenticeships: Be Careful Not To Minimize Integrity While Spiking The Numbers

Dr. Dave Just, formally Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting

When is Illustrating Technical Materials Useful to the Trainee?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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The US Workforce Competitive Advantage Has Declined For Decades - Not for Lack of Resources, Effort or Base Talent, But For Strategy

by Dean Prigelmeier, President of Proactive Technologies, Inc.

The Skills Gap Solution; Employers Still Reluctant to Commit to Role Only They Can Fill

by Staff

Assessing Employees With Past Drug Addictions for Work Tricky

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

Estimating the Costs Associated With Skipping Employer-Based Structured On-The-Job Training

by Dean Prigelmeier, President of Proactive Technologies, Inc.

August

Labor Costs Expected to Increase, So Will Challenges to Developing Workers

by Dean Prigelmeier, President of Proactive Technologies, Inc.

More Employers Finding Ways To Strategically Ensure Fair Pay

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

Pre-Employment Physical Ability Tests Can be a Legal Liability If Not Done Right

by Jim Poole, President of Lifetime Learning, LLC

Keeping Employers Engaged in Regional Workforce Development Projects

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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

What's more, an inferior setup can lead to sluggish rates, high scrap rates, tool damage, flawed parts, rework, an unsteady process, and delayed product delivery. Shops could even erase their entire profit margin on the job as a result of a flubbed mold change procedure.

So how do you avoid all these potential fiascos? According to an article published in *Plastics Technology*, the answer lies in focusing on refining the mold setup procedure, instead of doing it perfunctorily. Ready to take the next steps? Use this checklist to help you steer clear of common mold setup mistakes while also perfecting the injection molding setup procedure. [Read Article](#)

US Business-Equipment Orders Decline by More Than Expected

IndustryWeek - Bloomberg

The data precedes the Trump administration's decision this month to increase tariffs to 25% on some imports from China.



Orders with U.S. factories for business equipment declined in April by more than expected in the first drop this year, signaling deepening fallout from the trade war with China even before the latest increase in tariffs.

A proxy for business investment -- non-military capital goods orders excluding aircraft -- dropped 0.9% from the prior month after a downwardly revised 0.3% gain, according to Commerce Department figures Friday. The broader measure of bookings for all durable goods, or items meant to last at least three years, fell 2.1%, slightly below economist estimates, and March was revised lower. [Read Article](#)

Reshoring Resulted in 145,000 Jobs During 2018

American Machinist - Staff

Reshoring and foreign direct investment in the U.S. increased 38% during 2018, the highest level in history according to the Reshoring Initiative, the agency formed to advance the effects of "reshoring." The term describes the phenomenon of manufacturers relocating manufacturing activity and services, or sourcing, to the U.S. from overseas.



For 2018, the combination of reshoring and FDI represented 145,000 jobs, the second highest annual rate of job increases on record. The total job increases credited to reshoring, including upward revisions of 36,000 jobs in prior years, is over 757,000 since the 2010 low-point for domestic manufacturing employment. [Read Article](#)

Fiat Plans Merger With Renault in Latest Auto Industry Jolt

IndustryWeek - Bloomberg

The merger would create the world's third-biggest carmaker. Fiat Chrysler Automobiles NV proposed a merger with Renault SA to create the world's third-biggest carmaker as manufacturers scramble for scale to tackle an expensive shift to electrification and autonomous driving.



The transaction would be structured as a 50-50 ownership through a Dutch holding company, Fiat said Monday. Renault shareholders, including the French government, would get an implied premium of about 10%. In a statement, Renault's board said it would study what it called a "friendly" proposal. [Read Article](#)

Financial News

Kraft Heinz to Restate Earnings Amid Procurement Misconduct

IndustryWeek - Bloomberg

Kraft Heinz Co., the packaged-food giant, said it plans to restate earnings for 2016, 2017 and part of 2018, and that it found evidence of employee misconduct in procurement that increased the cost of products sold.



The effects of the restatements for supplier rebates and other misstatements are expected to be less than 2% in each year on adjusted earnings per share, the company said in a regulatory filing Monday. Kraft Heinz shares fell less than 1% in New York. The stock had dropped about 25% this year through the close of trading on Friday. [Read Article](#)

Manufacturing Group Hails Revival of Export-Import Bank

IndustryWeek - Adrienne M. Selko

The Ex-Im Bank says it has almost \$40 billion in pending transactions awaiting consideration by the board, which would support an estimated



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230,000 jobs.

The Ex-Im Bank is back in business. The Senate, on May 8, confirmed Kimberly Reed for president of the bank, and former Representative Spencer Bachus and Judith DeZoppo Pryor to be members of the board of directors.

These confirmations will provide the quorum the agency needs to approve deals that are valued at more than \$10 million for the first time since 2015. Bloomberg News notes that the nominees were confirmed "despite objections from conservative Republicans who say the Ex-Im bank provides corporate welfare for wealthy manufacturing and aerospace companies such as Boeing Co. and General Electric Co., and big banks, like JPMorgan Chase & Co., that help finance deals." [Read Article](#)

Trump Administration Wants to Allow Debt Collectors to Call 7 Times a Week and Text, Email as Much as They Want

Washington Post - Renae Merle

Consumer advocates say the proposal appears designed to shield debt collectors from law suits rather than help consumers.



Under Kathy Kraninger, the Consumer Financial Protection Bureau has focused on rolling back regulations on payday lenders and changing rules to allow debt collectors to send an unlimited number of texts and emails to consumers.

Christopher Fultz peered at his phone during a break at his job as a paramedic and saw an unusual text displaying his name in all caps. Fultz, 36, initially ignored the text but eventually followed the link leading to a website asking for his Social Security number. Fultz said he then realized a debt collector who repeatedly called and left what Fultz considered threatening voice mails had found a new way into his life.

"I was appalled. They can't send text messages if it's a debt collector," said Fultz, of Ohio. "It was as just shocking that they would do that. It felt like a scam." Fultz filed suit and the debt collection company paid him \$3,500 as part of a settlement.

For decades, debt collectors have relied on a limited set of communication tools: landlines and the U.S. mail. Now they are finding increasingly personal ways to reach the millions of Americans regulators say have been contacted by debt collectors. Some debt collectors worry that these contacts fall into a legal gray area because the Fair Debt Collection Practices Act was written 40 years ago and doesn't directly address digital communications. [Read Article](#)

Trump Administration Considering Changes That Would Redefine The Poverty Line

NPR - Pam Fessler

The Trump administration is considering changing the way the government measures poverty, which has anti-poverty groups worried that many low-income individuals will be pushed off assistance programs such as food stamps, Medicaid and Head Start.



The possible change would involve adjusting the poverty line annually using a different inflation measure, one that would result in a slower increase over time.

Arloc Sherman of the left-leaning Center on Budget and Policy Priorities says this change would mean that millions of people eventually could see their benefits either reduced or eliminated because they would no longer be considered poor.

"They have a goal, and the goal is to cut people of low or moderate income off of government assistance," Sherman said of the administration. He noted that the idea is being floated at the same time that the White House is proposing work requirements and steep budget cuts for safety net programs. [Read Article and Hear Podcast](#)

Surprise Medical Bills Lead to Liens on Homes and Crippling Debt

NBC News - Lindsey Bonnin and Stephanie Gosk

NBC News found collections firms putting liens on homes because of unpaid medical bills in New Hampshire, Colorado, Nevada, Ohio, Oklahoma and Vermont.



When Nicole Briggs felt intense stomach pain one night three years ago, she went to a freestanding ER near her home in the Denver suburbs. She was

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diagnosed with appendicitis and told she needed surgery as soon as possible.

She rushed to a nearby hospital, Swedish Medical Center - but first called ahead to make sure it took her insurance.

When the hospital said yes, Briggs thought that meant she was covered. "I thought [that meant] the anesthesiologist takes my insurance," she said, "that the surgeon [does], that the nurse, you know, that that's all part of the same deal."

But two months after the surgery, she got a whopping bill for \$4,727 from the surgeon, Dr. Emmett McGuire. Like most of the doctors at the hospital, McGuire practiced independently. He did not take her insurance. [Read Article](#)

Fiserv Hit With Lawsuit By Credit Union

CFO.com - William Sprouse

A small credit union in Greenville, Pennsylvania is suing the fintech giant Fiserv, alleging that security vulnerabilities and widespread problems with the vendor's processing services have affected its members.



The Bessemer System Federal Credit Union said "baffling and amateurish security lapses" at Fiserv affected the privacy of thousands of its members and that it was seeking damages from negligence, breach of contract, and unfair trade practices. Bessemer said when it approached Fiserv about the security problems, the company threatened "civil and criminal prosecution if Bessemer discussed [them] with third parties."

A lawyer representing Bessemer, Charles Nerko, said in an interview that "to protect the credit union's members, the credit union is replacing its core processing vendor and will be taking appropriate legal action against the vendor." [Read Article](#)

Suppliers Are Not Your Bank, and Boeing Is Not Your Friend

IndustryWeek - Paul Ericksen

There were three supply chain articles of note last week that if you haven't read, I recommend reading.



Three Ways Supply Chain Finance Can Fund the Future posits that strategic payment terms with suppliers can improve cash flow. The author's background, not surprisingly, is in capital finance, and from that perspective he makes a good argument.

Commenter Toppers is not of the same mind, however, writing that "Mr, Roberts, a company's supplier is not your bank! The SCF practice is a trick equivalent to theft and has destroyed our relationships with some of our long-time multinational customers."

A couple of additional points here. The article says the "buyers free up cash that would otherwise be trapped in the supply chain." That's like saying that when you buy groceries, the money you pay for them is trapped in the store. I wonder how stores would react if we told them we were going to extend payment terms.

The article also states that "suppliers can accelerate their own cash flow through access to early payment." The rub is that in order to get paid per the previous payment terms, the supplier must accept a discount on price. [Read Article](#)

To Prosper, Spend for Growth and Cut Costs Too

CFO.com - David McCann

Doing both results in significantly improved return on invested capital, Gartner advises.



The best CFO approaches to cost management deliver up to a 7 percentage-point premium on return on invested capital, according to a Gartner study of the S&P Global 1200 companies.

The findings indicate that companies that spend for revenue growth while also proactively cutting costs - an approach Gartner calls "efficient growth" - significantly outperform those that focus mostly on high growth or reducing costs.

Gartner calculated the companies' return on invested capital minus their weighted average cost of capital from 2010 through 2017. The 61 companies identified as "efficient growth companies" experienced an average return of 5.4%. (Such companies were identified as those that consistently grew both

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top-line revenues and bottom-line profits over an extended period.) [Read Article](#)

SEC Approves New Stock Exchange for Startups

CFO.com - Matthew Heller

The Long-Term Stock Exchange aims to provide "a new way of being public" that puts long-term value creation ahead of quarterly results.



The U.S. Securities and Exchange Commission has approved a new Silicon Valley stock exchange that could enable tech companies to go public more quickly while giving them time to develop products and services.

The Long-Term Stock Exchange is backed by Silicon Valley heavyweights including venture capitalist Marc Andreessen and would become the country's 14th equity market. The SEC on Friday approved its application for registration as a national security exchange.

The approval "advances our vision of a new way of being public for a generation of companies that aspire to build their businesses and generate value for decades to come," Zoran Perkov, the LTSE's chief executive, said in a news release. [Read Article](#)

Supreme Court Deals Antitrust Blow to Apple

CFO.com - Matthew Heller

The court says iPhone users are eligible to sue Apple for overcharging them for apps sold in the App Store.



iPhone users have cleared an initial hurdle in an antitrust law suit against Apple as the U.S. Supreme Court ruled they can sue the company for charging too much for apps sold in the App Store.

Apple had sought to dismiss the class action, arguing it acted only as an intermediary between app developers and purchasers. Since iPhone users do not purchase apps directly from Apple, the company said, they did not have standing to sue for antitrust violations under a 1977 Supreme Court precedent.

But in a 5-4 decision, the high court said on Monday that iPhone owners were not indirect purchasers "two or more steps removed from the antitrust violator in a distribution chain" as was the plaintiff in the 1977 case but purchasers who pay the alleged overcharge on apps directly to Apple even if the app developer sets the actual price. [Read Article](#)

America Is In Full Employment, So Why Aren't We Celebrating?

NPR Heard on Morning Edition - Pallavi Gogoi

These are prosperous times in America. The country is plump with jobs. Out of every 100 people who want to work, more than 96 of them have jobs. This is what economists consider full employment.



The economy has grown for almost 10 years, making it one of the longest economic expansions in U.S. history. And over that time, the job market has come back. It grew slowly at first, then steadily, finally reaching a point at which there are many more openings than job seekers.

Unemployment has reached a nearly 50-year low. The jobless rate for Hispanics has never been lower; the past two years have been the best job market ever for African Americans. Wages are starting to rise - and, more significantly, for the lowest-paid workers. That may not endure, but it's a reversal of the long-term trend where the most highly paid workers were also the best rewarded. The job market today is so hot that groups that were sort of on the margins also are finding opportunities - including people with disabilities or a prison record.

So, why doesn't today's full employment come with effervescence? [Read Article and Hear Podcast](#)

Home Prices Rise at Slowest Pace in More Than 6 Years



MSN - Associated Press

U.S. home prices rose at the slowest pace in more than six years in March, a sign weaker sales are keeping a lid on price increases.

The S&P CoreLogic Case-Shiller 20-city home price index rose 2.7% from a year earlier, down from an annual gain of 3% in February.

training is performed where, and while, the work takes place!

You need no additional staff, and this will not disrupt your work schedule or burden your existing staff!

If your firm is partnered with local career and technical educational institutions, use of shared employer's equipment, facilities and paid wages of trainer(s) and trainee(s) are attractive match for potential grant assistance.

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

Let's start with what we already know:

- Classes alone will not train workers to perform your tasks...
- Quality Control policies and Process Documents are not a substitute for task training...
- Putting 2 people together and hoping for the best is not a training strategy...
- 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, unstructured, uncontrolled, undocumented task training is going on all day, every day. **But if you cannot explain the process, you surely cannot measure and improve it.**

Proactive Technologies's approach to structured on-the-job training takes place where, and while, the work is performed. **You need no additional staff** and structured on-

Price gains in formerly red-hot cities such as Seattle and San Francisco have noticeably cooled. Nationwide, home price increases have run ahead of wage growth for five years, leaving many homes out of reach. That has slowed sales, forcing would-be sellers to rein in price increases. [Read Article](#)

The Dollar Powers American Dominance: Rivals Are Building Workarounds

MSN - The Wall Street Journal-Justin Scheck and Bradley Hope
U.S. allies, looking to buck American control over international trade, are developing alternate systems that don't rely on U.S. currency.

The catalyst was the Trump administration's decision last year to reimpose trade sanctions on Iran after pulling out of the 2015 nuclear-weapons deal. The U.K., Germany and France didn't support the sanctions, which include a ban on dollar transactions with Iranian banks. So they are fine-tuning a system to enable companies to trade with Iran without using dollars.

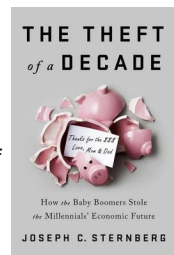
India wasn't happy either. Iran is a longtime trading partner, and India wants Iranian oil. India began using a similar alternative system in November, and shipping records show it already is being used by international companies to trade with Iranian businesses subject to sanctions. [Read Article](#)

BOOK REVIEWS FOR OUR TIME

The Theft of a Decade: Baby Boomers, Millennials, and the Distortion of Our Economy

by Joseph Sternberg

The Theft of a Decade is a contrarian, revelatory analysis of how one generation pulled the rug out from under another, and the myriad consequences that has set in store for all of us. The millennial generation was the unfortunate victim of several generations of economic theories that made life harder for them than it was for their grandparents.



Then came the crash of 2008, and the Boomer generation's reaction to it was brutal: politicians and policy makers made deliberate decisions that favored the interests of the Boomer generation over their heirs, the most egregious being over the use of monetary policy, fiscal policy and regulation. For the first time in recent history, policy makers gave up on investing for the future and instead mortgaged that future to pay for the ugly economic sins of the present.

This book describes a new economic crisis, a sinister tectonic shift that is stealing a generation's future. [Read More](#)

International News

Mexico, Latin America, South America and the Caribbean

EU, Latin America and the Caribbean: Partnering for Prosperity, Democracy, Resilience and Global Governance



Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ Trade Newsletter) - European Commission

The European Union is strengthening its political partnership with Latin America and the Caribbean by focusing it on four priorities - prosperity, democracy, resilience and effective global governance - for common future. The vision for a stronger and modernised bi-regional partnership focused on trade, investment and sectoral cooperation is set out in a new joint communication presented by the European Commission and the High Representative. This new partnership aims at working together in changing global and regional realities that require joint efforts to address common challenges and opportunities.

On this occasion, High Representative/Vice-President Federica Mogherini commented: "Latin America, the Caribbean and Europe have social, cultural and economic deep links, a long history of common work for peace and prosperity, and share the same attachment to cooperation and multilateralism. With this communication, we lay the ground for further strengthening our collaboration, for the sake of our peoples and of the whole world." [Read Release](#)

the-job training **does not interrupt your work schedule** like unstructured, haphazard and ad hoc training does.

You probably have most of the pieces are already in place; they just need structure around them to make the training experience work for everyone through the [accelerated transfer of expertise™](#).

As part of every project, **Proactive Technologies provides the support to set-up, implement, manage, document and revise the worker development system so you can stay focused on business.**

[Ask your Proactive Technologies, Inc. representative](#) about the [PROTECH™ system of managed human resource development](#)

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World Bank's VP for Latin America and the Caribbean Pledges Financial and Technical Support to Develop the Eastern Caribbean's Digital Economy

Caribbean News - St. Lucia News Online - Press Secretary

Axel van Trotsenburg, an economist and development expert with over 30 years of experience at the World Bank Group who was appointed Vice President for Latin America and the Caribbean effective February 1st, 2019, addressed the Regional Conference titled Digital Economy Moonshot for the Eastern Caribbean this afternoon, saying, "We are very eager to work with you by offering strong financial and technical support."



The two-day conference, which began today, is taking place at the International Finance Corporation (IFC), a member of the World Bank Group headquartered in Washington, D.C. [Read Release](#)

Fishers Net 11,000lb Of Trash - Tournament Founder Says Boaters Barely Dented Sea Garbage

Jamaica Gleaner - Christopher Serju/Gleaner Writer

Members of Team Mama Mia, Bianca Bovell (left) and Jonathan Kerr (centre), are assisted by Nicholas McKoy in weighing in trash collected from the sea in the Trash Tournament held at the Royal Jamaica Yacht Club in Kingston on Thursday. Team Mama Mia won with a haul of 1,988 pounds of trash.



A whopping 11,336 pounds of trash was collected from the surface of the sea yesterday during the inaugural 2019 Kingston Harbour Trash Tournament, with the top three boats accounting for 4,483 pounds worth of garbage.

Mama Mia, with 1,988 pounds, took top honours over Team Caribbean Maritime Institute, with 1,354lb, and Integrity, with 1,141lb, of trash were the top three finishers.

"We didn't have to go too far. Unfortunately, most of the trash is up in all the mangroves," Bianca Bovell of Team Mama Mia told The Gleaner. [Read Article](#)

Canada, Europe and Great Britain Germany Lowers 2019 Growth Forecast to 0.5 Percent

DeutscheWelle

The German government is forecasting significantly weaker economic growth this year. The economy minister says the new figures are a "wake up call."

The German government on Wednesday announced it expected significantly lower economic growth for 2019 than previously announced.



This year, it expects the gross domestic product to grow just 0.5%, down from the 1% previously forecast. The forecast is more pessimistic than industry predictions, with leading economists lowering their growth forecast to 0.8%.

Economy Minister Peter Altmaier, a member of the conservative Christian Democrat party, said the new statistics were a "wake-up call" for the country, saying politicians needed to think about how they could stimulate growth. Altmaier called for reforms on taxes, levies and bureaucracy. He also proposed a moratorium on measures that would burden the economy.

[Read Article](#)

Germany Staves Off a Retail 'Apocalypse' - For Now

DeutscheWelle

A slower transition to online shopping means Germany hasn't yet seen the same huge number of store closures as the US and UK. Some top retailers, however, are now feeling the pinch amid a slowing economy.



Two years ago, the German retail trade association HDE warned that some 50,000 stores would likely close by the end of 2020 as a result of changing shopping habits.

HDE predicted that Europe's No.1 economy would be hit by the same "retail apocalypse" that forced giant international brands like Sears, Walgreens, Gap and Marks and Spencer to downsize, shutting hundreds of American and British branches and laying off tens of thousands of staff.

In the US and the UK, the sector's decline has driven hundreds more traditional retailers into bankruptcy over the past three years after they failed to cope with the transition to online shopping. [Read Article](#)

Austria's Sebastian Kurz Calls for Snap Elections After Corruption Scandal

DeutscheWelle

Austrian Chancellor Kurz has requested new elections after a corruption scandal brought down his vice chancellor. Footage showed the far-right deputy allegedly offering contracts to a supposed Russian investor.



Austrian Chancellor Sebastian Kurz announced on Saturday that the country would have fresh elections in the wake of a major scandal involving now-former-Vice Chancellor Heinz-Christian Strache.

Kurz praised his own Austrian People's Party (ÖVP) for seeing through many of its campaign promises with the help of Strache's far-right Freedom Party of Austria (FPÖ), but the chancellor said that "enough is enough" after the latest FPÖ embarrassment.

"I promised voters I would remain true to myself, no matter what," Kurz said, declaring that he had withdrawn the ÖVP from the government. "I said I would always do what is right and what is necessary." [Read Article](#)

Who Are The Candidates to Replace Theresa May?

DeutscheWelle

Following Theresa May's confirmation that she will quit on June 7, there are several Conservative candidates jostling for position to replace her as party leader, and by extension prime minister of the United Kingdom. [Read Article and See Slide Show](#)



Cyprus Gas Discoveries Spark US-Russian Gamesmanship

DeutscheWelle

To counter Russian influence in the Eastern Mediterranean and Turkish ambivalence, the US is strengthening its involvement in the region's energy development. Diego Cupolo reports from Nicosia.



In recent years, energy companies have discovered a number of significant gas reserves in the Eastern Mediterranean, and the rush to develop the offshore resources is reshaping the region's political and economic dynamics.

Earlier this year, ExxonMobil, together with Qatar Petroleum, found the third large gas reservoir off the coast of Cyprus. Known as the Glaucus-1 field, this latest discovery will add to the inventory of Eastern Mediterranean gas reservoirs coming online in neighboring Israeli and Egyptian territorial waters, which are expected to form a new energy hub for regional and, possibly, export markets. [Read Article](#)

Asia, India and Australia

Myanmar Releases Pulitzer Prize-Winning Reuters Journalists

NPR - Laurel Wamsley

After more than 500 days in prison, two Reuters journalists convicted of breaking Myanmar's Official Secrets Act have been released from prison.



The two men, Wa Lone, 33, and Kyaw Soe Oo, 29, were pardoned by President Win Myint as part of New Year's amnesty custom in which thousands of people were released from the country's overcrowded prisons.

Throngs of supporters and members of the press greeted the men as they walked out the gates of Insein prison near the city of Yangon, smiling broadly. [Read Article](#)

How Narendra Modi Has Reinvented Indian Politics

BBC - Soutik Biswas

Many Indians seem to believe that Mr Modi is a messiah who will solve all their problems



Narendra Modi has scored a resounding victory in the Indian general election, securing a second five-year term. The BBC's Soutik Biswas looks at the main takeaways.

1. The second landslide is all about Narendra Modi

India's polarising prime minister made this an election all about himself. He should have faced some anti-incumbency. Joblessness has risen to a record high, farm incomes have plummeted and industrial production has slumped. Many Indians were hit hard by the currency ban (also known as demonetisation), which was designed to flush out undeclared wealth, and there were complaints about what critics said was a poorly-designed and complicated uniform sales tax.

The results prove that people are not yet blaming Mr Modi for this. [Read Article](#)

India Election 2019: The Looming Water Crisis Politicians Ignore

BBC - Reality Check Team

With voting now over in India's election, one issue that received little attention in the campaign is the country's growing water crisis.



The ruling BJP party says it will provide piped water to every household by 2024 and the opposition Congress party has committed to providing universal access to drinking water.

But there have been warnings of a growing national crisis - one estimate says as much as 42% of the land is currently affected by drought. So can promises for access to water for everyone really be met? [Read Article](#)

Indonesia Election: Presidential Rival Challenges Widodo Victory in Court

The Guardian - Staff and Agencies

Prabowo Subianto files lawsuit in constitutional court in Jakarta, scene of fatal clashes between protesters and police this week



Indonesian riot police prepare to guard Jakarta's Elections Supervisory Agency following unrest over the announcement of election results this week.

Indonesian riot police prepare to guard Jakarta's Elections Supervisory Agency following the release of official results showing Joko Widodo's victory this week. Photograph: Ulet Ifansasti/Getty Images

The defeated candidate in Indonesia's presidential election has filed a challenge against the result in the country's top court, just days after seven people died in rioting by his supporters in the capital.

The legal move is the latest step in what analysts say has been a months-long campaign by former general Prabowo Subianto to discredit the election. Members of his campaign including his brother, Hashim Djojohadikusumo, arrived on Friday night at the constitutional court in Jakarta, where a large digital clock was counting down the time left for challenges to the election. The court has a month to make its judgment. [Read Article](#)

China and Southeast Asia

US-China Trade War: Moving to Vietnam to Avoid Sanctions

BBC News - Reality Check team

China's industries have been hit by US tariff hikes.



Companies operating in China are facing stiff increases in tariffs on exports to the United States as the trade war between the two countries escalates.

So, there's an incentive for manufacturers in China to move their production to countries not subject to these tariffs.

And one of these beneficiary countries has been Vietnam, China's increasingly business-friendly southern neighbour.

So what can we say about changing Chinese investment into Vietnam? [Read Article](#)

The Philippines Is Fighting One Of The World's Worst Measles Outbreaks

NPR Morning Edition - Jason Beaubien

The measles outbreak got so bad in Manila, Philippines, that San Lazaro Hospital had to set up tents in the parking lot, the courtyard and even the landing at the top of the stairs outside the pediatric ward to house patients.



"This ward would only accommodate 50 patients," says Dr. Ferdinand de Guzman, the head of family medicine at the hospital. "But at the height of the outbreak, [there were] 300 patients per ward."

He says that at one point in February, there were three patients per bed in some measles wards at his hospital. They were being treated for the complications that the disease can bring. [Read Article](#)

Africa, Middle East, Eastern Europe and

Russia

South Africa Swears in Cyril Ramaphosa as President

DeutscheWelle

The 66-year-old was unanimously elected as president by parliament after his African National Congress won the legislative vote on May 8. The new president faces a huge challenge to revive the country's ailing economy.



More than 35,000 people, including foreign heads of state, participated in Cyril Ramaphosa's oath-taking ceremony on Saturday at a rugby stadium in the capital, Pretoria. The swearing-in ceremony coincided with Africa Day celebrations in the country.

Ramaphosa's African National Congress (ANC) won legislative elections on May 8, securing 230 seats in the 400-member parliament, but the 57.5% vote the party received was its lowest share of the ballot since the end of apartheid rule 25 years ago.

Ramaphosa promised a "new dawn" for the country after taking over the ANC leadership from Jacob Zuma, who tendered his resignation in February 2018 due to corruption scandals. [Read Article](#)

Russia: Anti-Chinese Sentiment on Lake Baikal

DeutscheWelle



Chinese companies are investing heavily in the Lake Baikal region. New factories pose a threat to local wildlife, while the rise in tourism, primarily from China, is unsettling locals. They feel their own interests are being ignored. [See Video](#)

Israel Protests: Thousands Rally Against Netanyahu Immunity

BBC



Thousands of Israelis gathered on Saturday for a mass rally against moves to grant Prime Minister Benjamin Netanyahu immunity from prosecution.

Protesters amassed outside a museum in Tel Aviv for "pro-democracy" demonstrations organised by Israeli opposition parties.

They are accusing Mr Netanyahu of trying to pass legislation that safeguards him from corruption cases.

Mr Netanyahu last month was elected to a fifth term as prime minister.

He could be indicted on fraud and bribery charges however in the coming months.

Saturday's demonstrations were the first held by opposition parties since Mr Netanyahu's election victory. [Read Article](#)

Israeli Parliament Schedules Unprecedented Early Elections

NPR - Richard Gonzalez



Voters in Israel will go the polls for the second time this year after Prime Minister Benjamin Netanyahu missed a midnight deadline to form a coalition government.

The Israeli parliament, prompted by Netanyahu, has voted to hold new elections Sept. 17. The move comes after elections were just held in April and appeared to give Netanyahu a fourth consecutive term in office.

The Knesset voted 74-45, on a bill sponsored by Netanyahu's Likud party, to dissolve itself and call for new elections. [Read Article](#)

International Trade News

INTERNATIONAL TRADE DATA

Monthly Wholesale Trade

US Census Bureau

March 2019 sales of merchant wholesalers were \$507.4 billion, up 2.3 percent (+/- 0.5 percent) from last month. End-of-month inventories were \$669.8 billion, down 0.1 percent (+/- 0.4 percent)* from last month.

March 2019: -0.1* % change in Inventories; February 2019 (r): +0.4 % change in Inventories. [Read Report](#)



Manufacturing and Trade Inventories and Sales

US Census Bureau

U.S. total business end-of-month inventories for March 2019 were \$2,018.1 billion, virtually unchanged (+/- 0.1 percent)* from last month. U.S. total business sales were \$1,470.1 billion, up 1.6 percent (+/- 0.2 percent) from last month. March 2019: 0.0* % change in Inventories; February 2019 (r): +0.3 % 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 \$50.0 billion in March, up \$0.7 billion from \$49.3 billion in February, revised. March exports were \$212.0 billion, \$2.1 billion more than February exports. March imports were \$262.0 billion, \$2.8 billion more than February imports. [Read Report](#)

U.S. International Transactions, 4th quarter and Year 2018

US Department of Commerce - Bureau of Economic Analysis



The U.S. current-account deficit increased to \$134.4 billion (preliminary) in the fourth quarter of 2018 from \$126.6 billion (revised) in the third quarter of 2018. As a percentage of U.S. GDP, the deficit increased to 2.6 percent from 2.5 percent. The previously published current-account deficit for the third quarter was \$124.8 billion. [Read Report](#)

US Unleashes Fresh Wave of Tariffs on China

IndustryWeek - Bloomberg

President Donald Trump boosted tariffs Friday on \$200 billion in goods from China and was preparing more in his most dramatic steps yet to extract trade concessions, further roiling financial markets and casting a shadow over the global economy.



China immediately said in a statement it is forced to retaliate, though hadn't specified how as of 3:55 p.m. in Beijing. The move came after discussions between President Xi Jinping's top trade envoy and his U.S. counterparts in Washington made little progress on Thursday, with the mood around them downbeat, according to people familiar with the talks. The negotiations were due to resume on Friday morning Washington time.

Asian stocks whipsawed in heavy trading. Chinese state-backed funds were reported jumping into the local market after shares slumped, and the Shanghai Composite closed up 3.1%. S&P 500 futures were down in London trading, putting U.S. stocks -- a key metric of performance in Trump's own analysis -- on course for the worst week since December. [Read Article](#)

Top 10 Most Corrupt Countries of 2019

IndustryWeek - Adrienne M. Selko

According to Transparency International's 2018 Corruption Perceptions Index, the continued failure of most countries to significantly control corruption is contributing to a crisis of democracy around the world.



"Corruption is much more likely to flourish where democratic foundations are weak and, as we have seen in many countries, where undemocratic and populist politicians can use it to their advantage," says Delia Ferreira Rubio, chair, Transparency International.

The 2018 CPI draws on 13 surveys and expert assessments to measure public sector corruption in 180 countries and territories. [Read Article](#)

Polaris Industries CEO Warns US Jobs May Move to Mexico If Tariffs Rise

IndustryWeek - Bloomberg

Costs for U.S. manufacturer could reach almost \$200 million.



Scott Wine jokes that he doesn't want to have to start building snow mobiles in sweltering Mexico.

But the chief executive officer is dead serious about the unintended consequences that higher U.S. tariffs on Chinese goods will have on Polaris Industries Inc. -- including forcing him to consider moving jobs to Mexico.

"We just can't stand for it," Wine said in a phone interview Tuesday. "I don't want a Fortune 500 company like we are to be very vocal against the tariffs

and undermine our negotiating position as a country. That said, if it goes to 25%, I will become one of the most vocal people you've ever heard on the issue." [Read Article](#)

Global Trade Growth Loses Momentum as Trade Tensions Persist



Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ Trade Newsletter) - World Trade Organization - Press Conference: Remarks by DG Azevêdo

World trade will continue to face strong headwinds in 2019 and 2020 after growing more slowly than expected in 2018 due to rising trade tensions and increased economic uncertainty. WTO economists expect merchandise trade volume growth to fall to 2.6% in 2019 - down from 3.0% in 2018. Trade growth could then rebound to 3.0% in 2020; however, this is dependent on an easing of trade tensions.

MAIN POINTS

- World merchandise trade volume is forecast to grow 2.6% in 2019, accompanied by GDP growth of 2.6%.
- Trade growth should pick up to 3.0% in 2020 with GDP growth steady at 2.6%.
- Trade growth in 2020 is expected to out-pace GDP growth due to faster GDP growth in developing economies.
- Trade tensions still pose the greatest risk to the forecast, but a relaxation could provide some upside potential.
- Weak import demand in Europe and Asia dampened global trade volume growth in 2018 due to the large share of these regions in world trade.
- The value of merchandise trade was up 10% to US\$ 19.48 trillion in 2018, partly due to higher energy prices.
- The value of commercial services trade rose 8% to \$5.80 trillion in 2018, driven by strong import growth in Asia.

Director-General Roberto Azevêdo said: "With trade tensions running high, no one should be surprised by this outlook. Trade cannot play its full role in driving growth when we see such high levels of uncertainty." [Read Release](#)

Brexit: Implication for Developing Countries

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ Trade Newsletter) - UN Conference on Trade and Development

The United Kingdom (UK) market accounts for about 3.5% of world trade and represents an important trading partner for many developing countries.

As the UK is set to exit the European Union, its trade policy will likely be adapted to better reflect its national priorities.

This paper focuses on possible changes in the UK tariff structure that Brexit could bring. The findings of this paper indicate that changes in UK market access conditions could have important consequences for some developing countries.

To minimize possible negative implications of Brexit on low income countries exports the UK needs to make sure that preferential access is maintained. Still, the analysis shows that maintaining preferences may not be enough in the event of MFN liberalization.

It is of critical importance that UK retains substantial MFN tariffs on products of importance for low income countries exports. [Read Report](#)

US Places Huawei and 67 Affiliates Around World on Blacklist



IndustryWeek - Bloomberg

The Trump administration said new restrictions on Huawei Technologies Co. announced this week would take effect on Friday, with the parent company and 67 affiliates in 26 countries placed on a blacklist that will limit its access to U.S. suppliers.

In a Federal Register notice released on Thursday, the Commerce Department said the new curbs, first announced the day before, would apply to Huawei and affiliated companies around the world from China to Germany and Madagascar.

Commerce Secretary Wilbur Ross told Bloomberg Television the measures limiting access to U.S. components would become official on Friday. Separately, he said President Donald Trump had given his department 150 days to establish a process to screen U.S. companies' purchases of equipment from Huawei, and other equipment providers with which officials have concerns. [Read Article](#)

White House Delays EU, Japan Auto Tariffs for 180 Days for Talks

IndustryWeek - Bloomberg

Negotiations must "address the threatened impairment of the national security."



President Donald Trump on Friday announced a delay in imposing tariffs on imported vehicles and parts from the European Union, Japan and other nations for 180 days to pursue negotiations, avoiding opening another front in his tariff battle with some of America's key allies.

The Commerce Department submitted its findings in February to the president after conducting a probe into whether car imports pose a national-security threat. Trump had until Saturday to decide how to respond, including whether to impose tariffs or defer any action.

In a proclamation released in Washington, Trump said he agreed with the conclusion by Commerce that imports of cars and certain auto parts harm national security. [Read Article](#)

US to Lift Steel, Aluminum Duties on Canada and Mexico

IndustryWeek - Bloomberg

The tariffs have stood in the way of getting Trump's new North American trade deal approved by Congress, and ratified in Canada and Mexico.



The U.S. plans to lift steel and aluminum tariffs on Canada and Mexico in favor of stronger enforcement actions, according to people familiar with the matter, in a move that will help clear the way for ratification of the new NAFTA.

The U.S. tariffs are expected to be lifted about 48 hours. Canada and Mexico will eliminate their retaliatory tariffs, the people said.

Prime Minister Justin Trudeau's office said in a statement on May 17 that he and President Donald Trump discussed the steel and aluminum tariffs and other issues by phone. Trudeau is traveling to Hamilton, the hub of Canada's steel sector, for an announcement Friday, one person said. [Read Article](#)

Tariffs Alter Global Supply Chain

Material Handling & Logistics - Bloomberg

Executives are citing the trade war as the final straw in their shift out of China. President Donald Trump's new tariffs are helping to erode China's appeal as a place where stuff gets made.



Ricoh Co. is moving some manufacturing from China to Thailand to avoid potential risks from the U.S.-China trade tensions, the Japanese office-equipment maker said on May 16. That came hours after a report that Taiwan's Kenda Rubber Industrial is investing in Vietnam to do the same.

Those two examples are just the most recent from a chorus of executives who are citing the trade war as the final straw in their shift out of China, with margins already squeezed by rising labor costs, tougher environmental standards and domestic competition. Last week Trump hiked tariffs on \$200 billion of Chinese imports and the U.S. is readying the expansion of that treatment to the remainder.

"The purpose is to minimize the impact of tariff increases," Ricoh said in a statement, referring to the newly announced U.S. tariffs on the rest of imports from China. The firm will produce all U.S.-bound multi-function printers in Thailand instead of Shenzhen in southern China. [Read Article](#)

Retail Imports Rising Ahead of Expected Higher Tariffs

Material Handling & Logistics - Staff

With retail sales rising and President Trump saying he plans to both increase and broaden tariffs on goods from China, imports at the nation's major retail container ports are expected to see unusually high levels the remainder of this spring and through the summer, according to the monthly Global Port Tracker report released by the National Retail Federation and Hackett Associates.



"Much of this is driven by consumer demand but retailers are likely to resume stocking up merchandise before new tariffs can take effect," says Jonathan Gold, NRF's vice president for supply chain and customs policy. "Tariff increases and new tariffs will mean higher costs for U.S. businesses, higher prices for American consumers and lost jobs for many American workers."

We encourage the administration to stay focused on a trade agreement, and we hope the negotiations will get back on track. It would be unfortunate to undermine the progress that has been made with more tit-for-tat tariffs that only punish Americans." [Read Article](#)

More Tariffs On China, More Head Scratching From Economists

NPR Planet Money - Greg Rosalsky

A couple weeks ago, after trade talks fell apart, President Trump raised tariffs on Chinese imports from 10% to 25%. The tariffs apply to a third of everything - about \$250 billion worth of products per year - that we import from China.

The U.S. Trade Representative's (USTR) tariff list starts with "Frozen retail cuts of meat of swine" and then continues for a couple hundred pages. China has already retaliated by announcing plans to jack up tariffs on about \$60 billion worth of American stuff. Trump, in response, is now threatening to apply a 25% tariff on the remaining two-thirds of Chinese imports that aren't on the U.S. list. That could mean a big tax on basically everything that the U.S. imports from China, with the exception of pharmaceuticals, some medical goods, and various minerals. [Read Article](#)

Toyota Says Trump Sent Message Carmaker 'Not Welcomed'

IndustryWeek - Bloomberg

Japanese company criticizes national security threat finding.



Toyota Motor Corp. rebuked President Donald Trump's declaration that imported cars threaten U.S. national security, signaling contentious talks are ahead for the White House and America's key trading partners.

In an unusually strong-worded statement, Japan's largest automaker said Trump's proclamation Friday that the U.S. needs to defend itself against foreign cars and components "sends a message to Toyota that our investments are not welcomed, and the contributions from each of our employees across America are not valued."

The company said it has spent more than \$60 billion building operations in the country, including 10 manufacturing plants. [Read Article](#)

US Firms Rethink China Presence Due to Trade War: Survey

IndustryWeek - Bloomberg

Most U.S. businesses in China are hurting from the tariffs war between the two countries, forcing some companies to relocate abroad or refocus their business, a survey showed on May 22.



The recent poll by the American Chamber of Commerce in China and its sister organization in Shanghai paints a gloomy picture of the business environment for American companies. American Chamber of Commerce found that nearly half of U.S. businesses in China have experienced non-tariff retaliatory measures in China since last year.

Three-quarters of the 250 respondents said increases in U.S. and Chinese tariffs are having a "negative impact" on their business as orders were drying up owing to rising manufacturing costs and prices.

Nearly half said they have experienced non-tariff retaliatory measures in China since last year, with one in five reporting increased inspections and a similar amount enduring slower customs clearance. And 14% complained of other complications from increased bureaucratic oversight and regulatory scrutiny. [Read Article](#)

British Steel Collapses in Blow to UK Heavy Industry

IndustryWeek - Bloomberg

The company was put into liquidation after a government bailout was denied.



British Steel Ltd.'s three-year run as a company ended on Wednesday, putting 5,000 jobs at risk and piling fresh misery on the U.K.'s manufacturing base.

The company was put into liquidation by the U.K. High Court, which appointed Ernst & Young LLP to manage the process. Despite last-minute pleas for a government rescue and pressure from Labour lawmakers and unions to nationalize the steelmaker, a bailout was ultimately denied.

"We can only act within the law, it is clear that it would be unlawful to provide a guarantee or loan on the terms requested by the company," said

Prime Minister Theresa May. "The government has been working tirelessly with the company, with its owner Greybull Capital and its lenders to explore all potential options." [Read Article](#)

Trade War Unleashes C-Suite Chaos: 'How Do You Plan?'

IndustryWeek - Bloomberg

"Uncertainty is the enemy of investment," said Columbia Sportswear Co. general counsel Peter Bragdon.



For Columbia Sportswear Co., President Donald Trump's escalating trade war has snatched away the most finite resource of all -- time.

Although the outdoor-gear maker was largely spared financial pain in the first tariff rounds, the dispute has still sucked up hours and resources that it hadn't planned for. Budget meetings and strategy sessions have been getting derailed by the uncertainty. Added costs have popped up in unexpected places, like the price of mannequins rising about 5% because of levies on aluminum used in their frames. Making this more difficult is the fact that Columbia's production cycles stretch out 18 months.

How do you plan?" said Peter Bragdon, Columbia's chief administrative officer and general counsel. "Uncertainty is the enemy of investment." [Read Article](#)

White House Announces \$16 Billion In Aid To Farmers Hurt By China Trade Dispute

NPR - Andrew Harnik/AP

The Trump administration will provide \$16 billion in aid to help keep farmers afloat as they reel from the yearlong trade war between the U.S. and China, the latest sign that the world's two largest economies are still far from striking a long-term trade agreement.



The bulk of the support, or about \$14.5 billion, is direct aid to farmers, which producers will start to see some time this summer, Agriculture Secretary Sonny Perdue told reporters in a briefing on Thursday.

"While farmers themselves will tell you they'd rather have trade than aid, without the trade that has been possible, they're going to need some support," he said.

Perdue placed the blame for farmers' economic losses on China, rather than on the Trump administration's own hard-line trade tactics. [Read Article and Hear Podcast](#)

EU Draws Red Line for Trump on Cars, Calling Quotas a No-Go

IndustryWeek - Bloomberg

The European Union vowed to reject any U.S. push to curb imports of EU cars and auto parts, highlighting the risk of greater transatlantic trade tensions.



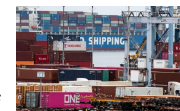
EU trade chiefs on Monday dismissed an idea floated by President Donald Trump earlier this month of fixing quotas on European automotive exports to the U.S. He claimed such shipments pose a threat to national security -- a view repudiated by Europe.

On May 17, Trump put off a decision on auto tariffs for 180 days while saying that "domestic conditions of competition must be improved by reducing imports" and instructing U.S. Trade Representative Robert Lighthizer to address the matter in talks with the EU and Japan. Voluntarily restraining exports is illegal under World Trade Organization rules. [Read Article](#)

Here are 5 steps China Could Take to Hurt the US Beyond More Tariffs

MSN - USA Today-Yan Zhang

The United States has the upper hand in its escalating tariff battle with China: China's exports to America are almost four times U.S. shipments to China.



But China has other weapons against its nemesis besides further tariffs.

Nearly half of U.S. companies doing business in China said they've experienced non-tariff retaliation from China since the U.S. first imposed duties last July, according to a survey this month by the American Chamber of Commerce in China. The group represents more than 900 American companies operating in China. [Read Article](#)

'Plenty Of Cards To Play': Chinese Media Suggest Cutting Rare Earth Exports To U.S.

NPR - Sasha Ingber

China is ready to capitalize on its dominance as an exporter of rare earth minerals by cutting its exports to the U.S., Chinese media reported Wednesday.

Rare earths are a group of elements with unique properties that are used in cell phones, hybrid cars and cancer treatment. They also play an important role in U.S. defense, from computers to aircraft engines.

"Waging a trade war against China, the United States risks losing the supply of materials that are vital to sustaining its technological strength," began a commentary published Wednesday in the Communist newspaper People's Daily. [Read Article](#)



Education and Workforce Development News

House Committee Passes Funding Bill

Community College Daily News - Matthew Dembicki

The House Appropriations Committee on Wednesday passed a spending bill for fiscal year 2020 that would increase funding for many programs of interest to community colleges as well as the maximum grant amount of a Pell Grant. The bill also includes a new \$150 million career training program geared toward community colleges.



The funding levels in the bill - which covers education, labor and health and human services programs - are essentially the same as those reported out of a House appropriations subcommittee last week. It now will go to the full House for a vote. On the Senate side, appropriators may mark up their spending bill in early June.

Republicans on the appropriations committee noted during the markup that they appreciated the inclusion of several provisions they sought but they still voted against the bill. The overall increases in the bill would surpass spending limits, and it would not likely be passed by the Senate nor signed by President Trump, they said. That would extend the appropriations process and could push toward another government shutdown if a bill is not passed by the start of the new fiscal year, Republicans warned. [Read Article](#)

Congress Hoping to Bolster US Advanced Manufacturing

IndustryWeek - Staff

On May 10, U.S. Senators Kirsten Gillibrand (D-NY) and Chris Coons (D-DE) announced a new bipartisan bill whose intent is to increase America's global competitiveness in advanced manufacturing. The Global Leadership in Advanced Manufacturing Act would expand the national network of Manufacturing USA institutes.



The Manufacturing USA program is a national network of 14 public-private partnership institutes with 1,300-member companies and institutions working to keep the U.S. on the cutting edge of advanced manufacturing. The institutes collaborate with member companies, academic institutions, trade associations, and government partners to develop new best practices in manufacturing, help transition innovative technologies from lab to market, and expand the production of goods made in America. [Read Article](#)

ED to Expand Pell for Prisoners Pilot Program

Community College Daily - Staff

The U.S. Education Department (ED) is launching a new Federal Work-Study (FWS) pilot program that will include apprenticeships, as well as expanding a pilot program that allows eligible inmates to use Pell grants for a college education.



The new FWS experiment will give institutions the flexibility to allow students to earn work-study benefits while participating in apprenticeships, internships and work-based learning programs, as well as earn work-study wages while completing required clinical rotations, externships and student teaching. [Read Article](#)

Reporter's Notebook - Gainful Employment Reminder

Community College Daily - Staff

The U.S. Education Department is reminding colleges and universities that they have until July 1 to update their websites to include certain information pertaining to federal gainful employment regulations.



The department this month sent to institutions a new template they can use for program information such as: [Read Article](#)

ED Expected to Nix Gainful Employment Reg Soon

Community College Daily -Matthew Dembicki

The U.S. Education Department (ED) is expected to publish in late June or early July a final regulation to eliminate the so-called "gainful employment" (GE) rule, which was promulgated during the Obama administration mainly to ensure that for-profit institutions were not burdening students with college loans that they could not repay.



ED in April sent its final rule for review to the White House Office of Management and Budget, which is the last required step before the rule is published.

GE proponents have noted that if ED eliminates the regulation, it may not go away permanently. Congress might choose to alter the regulation in the reauthorization of the Higher Education Act (HEA), which would require the department to again address the issue. [Read Article](#)

Training and Organizational Development News

How Are You 'Showing Up'?

IndustryWeek - Trevor Blondeel

It was a typical day in high-volume manufacturing. There was a new task at hand at the \$100 million+, 300-person operation that needed to happen right away. Sound familiar?



I gathered the leadership team together and explained the task that we needed to accomplish. Production numbers were down, and we needed to verify the cycle times for each station-how many seconds it was taking to process a part at a particular station versus target. I explained there was concern that "creep"-small touch-ups in the robot's programs-may have resulted in a slow increase in cycle time. I even gave members of the team a simple spreadsheet to fill out, and some high-level description of how to accomplish the task. [Read Article](#)

A Good Problem Statement Goes a Long Way

IndustryWeek - Jamie Flinchbaugh

Spend more time on defining what you're trying to solve, and get better results.



A problem well put is half-solved. This statement, attributed to philosopher John Dewey, highlights the value of a good problem statement. Even if you're not using a structured problem-solving method, the time invested in framing the problem is rarely wasted effort.

Almost every time I coach a team on their problem statement, we spend four times the amount of time on it than they expected, and the problem statement always changes by the time we're done.

A problem statement is like a compass. It helps you set the direction in which all of your endeavors will follow. If you set the direction inaccurately [Read Article](#)

UAW-Ford Center to Train Hourly Workers in Advanced Manufacturing

IndustryWeek - Staff

Skilled trades training, including 3D printers, collaborative robots, vision systems, drones will be taught at the new center.



In an effort to upskill workers, Ford Motor Co. on May 22, unveiled the newly transformed UAW-Ford Technical Training Center (TTC).

The center, a \$35 million investment for Ford located in Lincoln Park, Mich., is designed to provide state-of-the-art technology training to hourly employees from the company's manufacturing plants.

"The UAW-Ford Technical Training Center allows our people to support technologies and equipment critical to keeping our plants running and provides opportunities for hourly employees to use their intelligence, skills and experience to recommend additional improvements," said Gary Johnson, Ford chief officer, Global Manufacturing and Labor Affairs. [Read Article](#)

Quality News

Sharing the Quality Love

IndustryWeek - Paul Erickson



My April 1 column article focused on a strategy of reducing "true" lead time (Manufacturing Critical-path Time or MCT) for both driving lean activity and measuring a product's lean-ness. It also discussed how application of this strategy to supply chain continuous improvement efforts helps develop a lean-performing supply chain. A lean-performing supply chain should be the primary goal of purchasing departments. The strategy, once applied, can have many positive impacts on company financial results.

The article expressed the hope that once OEMs understood the magnitude of financial benefits available from managing suppliers in a different way, they would be open to adjusting or even changing their strategies and processes so they could take advantage of those benefits. For example, slight revisions in the OEM Request for Quote process and sourcing decisions could make a big difference. But this is not the only instance where changes to procurement practices can produce significant financial benefit to OEMs.

[Read Article](#)

Bad Metal is to Blame for Failed NASA Missions



ThomsNet Log

ThomasNet - Anna Wells

When a business is duped by the nefarious doings of a supplier, the impacts can range - usually from bad to worse.

But even within that context, this next case is pretty mind blowing. Bloomberg has reported that NASA is blaming bad metal for two failed satellite launch missions, as well as about \$700 million in losses.

NASA is contending that Sapa Profiles Inc., a metals company in Oregon that now goes by the name of Hydro Extrusion North America, falsified thousands of test results relating to its metal's strength and durability under pressure.

And the worst part? These incidents go back all the way to 1996.

This report comes on the heels of an announcement that Hydro Extrusion's parent company will pay NASA \$46 million to settle the criminal and civil claims relating to the fraud. [Read Article](#)

F-35's First Crash Was Caused by Manufacturing Defect, GAO Says

IndustryWeek - Bloomberg



The crash of a U.S. Marine Corps F-35 that temporarily grounded the entire fleet of next-generation jets in 2018 was caused by a manufacturing defect in a fuel tube made by a United Technologies subcontractor, according to congressional investigators.

The defect "caused an engine fuel tube to rupture during flight, resulting in a loss of power to the engine," the Government Accounting Office said this week in a report on major weapons systems that referred to the September crash in South Carolina. The Pentagon told the watchdog that it identified 117 aircraft -- about 40% of the worldwide F-35 fleet at the time -- with the same type of fuel tubes that had to be replaced. [Read Article](#)

How the Food Industry Can Improve Quality Control

ThomasNet - Megan Ray Nichols



Food contamination outbreaks and recalls seem to be in the news every week, from ground beef coming off the shelves because of E. coli to the massive romaine lettuce recall that started in 2018 and is still ongoing. While quality control is integral in any consumer-facing industry, it's absolutely vital in industries that create consumables. How can the food industry improve quality control to reduce contamination and prevent people from getting sick while enjoying their favorite foods? [Read Article](#)

FAA Whistleblowers Raise Alarm on Safety



CBS News

Some longtime FAA inspectors have an urgent warning for travelers in the U.S. They claim airlines are not as safe as they could be and worry lives could be at stake. In an exclusive CBS News investigation, we spoke to roughly a dozen FAA inspectors from across the country. Some risked their jobs to blow the whistle on how they say they are told to overlook important problems. "CBS This Morning" co-host Tony Dokoupil reports. [See Report](#)

WhatsApp Has Exposed Phones To Israeli Spyware -- Update Your Apps Now

Forbes - Zak Doffman

On Monday, WhatsApp admitted a major cybersecurity breach that has enabled targeted spyware to be installed on phones through voice calls. The security vulnerability affects both iPhone and Android devices, with malicious code (allegedly) from Israel's NSO Group, transmitted whether or not a user answers an infected call.



Facebook has suffered a multitude of security and privacy breaches in the last year, but this news that a government-grade intelligence collection application had targeted the company's WhatsApp application is different.

WhatsApp is Facebook's flagship messaging application and is lauded for its end-to-end encryption, both for messaging and voice calls. As a result, it has become a standard communications platform for government and security officials in many countries around the world.

WhatsApp told the Financial Times, which broke the story, that "the attack has all the hallmarks of a private company known to work with governments to deliver spyware that reportedly takes over the functions of mobile phone operating systems. We have briefed a number of human rights organizations to share the information we can, and to work with them to notify civil society." [Read Article](#)

Cybercrime Diary, Q2 2019: Who's Hacked? Latest Data Breaches And Cyberattacks

Cybersecurity Ventures - John P. Mello, Jr.

Toyota and FEMA leak data, Wendy's and Nieman Marcus pay for past breaches.



High profile data breaches during the first three months of the year included compromise of servers at Toyota's Japanese offices jeopardizing data of 3.1 million car owners and the U.S. Federal Emergency Management Agency's exposure of data on 2.5 million disaster survivors. Meanwhile, Wendy's paid \$50 million to settle litigation arising from a data breach in 2015-16 and Nieman Marcus paid the states \$1.5 million to put to bed a case stemming from a 2013 data breach. That's just some of the data breach news in our diary below. [See List](#)

Security Gap Leaves 885 Million Mortgage Documents Exposed

The New York Times - Nicole Perloth and Stacy Cowley

SAN FRANCISCO - First American Financial Corporation, a provider of title insurance, said Friday that it had fixed a vulnerability in its website that exposed 885 million records related to mortgage deals going back 16 years.



The vulnerability would have allowed anyone to gain access to Social Security numbers, bank account details, drivers license and mortgage and tax records.

The security failure was first reported by Brian Krebs, the cybersecurity writer who last year reported a flaw in the way Facebook was storing hundreds of millions of user passwords.

First American, based in Santa Ana, Calif., said in a statement Friday afternoon that it addressed the security gap after it was notified by Mr. Krebs. "We are currently evaluating what effect, if any, this had on the security of customer information," the company's statement said. "We will have no further comment until our internal review is completed." [Read Article](#)

Human Resource Management News

EEOC Charges Hit 12-Year Low

Material Handling & Logistics - David Sparkman

Although U.S. Equal Employment Opportunity Commission charges against employers are down in total, the commission remains highly active on a number of fronts, especially in regard to sexual harassment and LGBT discrimination cases.



The commission reports 76,418 charges were filed in Fiscal Year 2018, which ran from Oct. 1, 2017, through Sep. 30, 2018. That may sound like a lot, but it is only slightly higher than the 75,428 charges that occurred in 2005, the previous low point, and is significantly down from the 84,254 charges that were brought in FY 2017.

EEOC also filed 199 law suits in FY 2018, up from 184 filed in FY 2017, which in turn was more than double the number filed in FY 2016. When it comes to FY 2018, 117 of the law suits were on behalf of individuals, 45 were non-systemic suits with multiple victims, and another 37 were systemic claims. A case is considered systemic if it "has a broad impact on an industry, company or geographic area," according to the commission. [Read Article](#)

U.S. Department of Labor Recovers \$2,772,977 For 6,450 Disaster Recovery Workers

U.S. Department of Labor

PHILADELPHIA, PA - After an investigation by the U.S. Department of Labor's Wage and Hour Division (WHD), WSP USA Services Inc. - based in Winchester, Virginia, and doing business as WSP USA Inspection Services, Inc. - has paid \$2,772,977 in back wages to 6,450 employees for violating the McNamara-O'Hara Service Contract Act (SCA) and the Fair Labor Standards Act (FLSA).



Under contract with the Federal Emergency Management Agency (FEMA), WSP USA Services Inc. performed disaster-related housing inspections in U.S. territories and states - including Puerto Rico, the U.S. Virgin Islands, Texas, Florida, Georgia, and California - following hurricanes and other natural disasters.

Investigations by WHD's Caribbean and New York City District Offices found the contracting agency's failure to amend the contract at renewal to include the most recent wage determination led WSP USA Services Inc. to underpay SCA-required prevailing wages and fringe benefits to employees. The employer also failed to post the wage determination, which lists the required pay rates for each category of work performed, and the SCA poster, as required. The FLSA violations stemmed in part from WSP USA's failure to include bonuses in employees' regular pay rates when determining their overtime rates. This exclusion resulted in the employer paying overtime at rates lower than those required by law. [Read Release](#)

Gig Workers Are Not Employees: DOL

CFO.com - William Sprouse

The U.S. Department of Labor said this week that service providers working for an unidentified virtual marketplace company were independent contractors rather than employees and should be treated as such under the Fair Labor Standards Act.



The DOL's opinion came in an April 29 letter in response to a question from counsel for a virtual marketplace company that operates in the so-called "on-demand" or "sharing" economy and serves consumers. The letter applies only to one, unnamed company but is seen as an indicator of how the department will decide how workers in the gig economy should be classified.

"An important role of the U.S. Department of Labor is to ensure that employers who want to do the right thing have clear compliance assistance," said Keith Sonderling, acting administrator of the department's wage and hour division. "Today, the U.S. Department of Labor offers further insight into the nexus of current labor law and innovations in the job market." [Read Article](#)

A 30-Minute FLSA Audit Can Save Employers Money and Trouble

Material Handling & Logistics - David Sparkman

Compliance failure can spell big trouble even when unintended, attorney warns.



Recent events have brought the Fair Labor Standards Act back into the headlines, and those stories should serve as a fresh reminder to employers of their obligation to comply with federal minimum wage and overtime pay regulations.

Enacted in 1938 and amended many times over the years, the FLSA deals with subjects ranging from child labor laws to the Family Medical Leave Act. However, its biggest areas of jurisdiction involve enforcement of the federal minimum wage and overtime standards. These apply to employees engaged in interstate commerce or employed by a firm engaged in the production of goods for commerce.

Enforcement is handled by the Wage and Hour Division of the U.S. Department of Labor (DOL). For any business being found in violation can be expensive. In Fiscal Year 2018, DOL brought 10,071 minimum wage charges against employers, collecting \$32,377,444 in back pay for employees, and 11,018 overtime cases, collecting \$194,203,854 that was due workers. In addition, the maximum civil penalty for repeated and willful violations of the

FLSA's minimum wage and overtime provisions is \$2,014-per employee. Because of this, employer liability can quickly become substantial if noncompliant pay practices affect large numbers of workers. [Read Article](#)

Companies Grappling with DOL Enforcement, Other Employee Issues

IndustryWeek - Staff

Annual survey finds companies also focusing on preventing harassment and pay inequality in the second year of the #MeToo movement.



Employers report feeling very little relief from federal regulation and enforcement, according to the Littler Annual Employers Survey, 2019.

The survey shows that employers' perceived impact of various regulatory issues on their workplaces remains relatively unchanged from last year. Enforcement of federal employment laws by the Department of Labor (DOL) is their leading concern, with 78% of respondents anticipating a moderate or significant impact on their workplaces over the next year (up slightly from 74% in the 2018 survey). In the 2017 and 2018 surveys, 77% said the same of enforcement by the Equal Employment Opportunity Commission (EEOC).

[Read Article](#)

EEO-1 Form Obligation Now Includes Three Reports

Material Handling & Logistics - David Sparkman

Employers are expected to submit additional data for both 2017 and 2018 by September 30.



In the latest twist in the saga of the EEO-1 Form, the Equal Employment Opportunity Commission (EEOC) announced that it will continue to maintain the May 31 deadline for employers to submit basic information and a separate Sept. 30 deadline for more complex data covering 2018.

However, under pressure from a federal judge, the commission recently chose to add another requirement: Employers also must submit employee pay data for the year 2017 by the same Sept. 30 deadline set for when the final installment of the 2018 data is due. [Read Article](#)

When Picking the Wrong Person for the Job Is the Right Move

IndustryWeek - Kellogg Insight

Sometimes building credible relationships with your employees and suppliers is more important than finding the "perfect" fit.



When there's an important job to fill, it seems obvious that an offer should go to the best person for the role. Ditto when there is a big contract to be awarded, or capital to be reallocated across an organization: whichever supplier or division will serve the firm best ought to win the opportunity.

That's just good business. Right? Yet there is a wrinkle, according to new research by Daniel Barron, an assistant professor of strategy at the Kellogg School, and Michael Powell, an associate professor in the same department: Sometimes it might be in a firm's interest to promote the wrong person, or sign a contract with the wrong supplier, because that party has performed very well previously. [Read Article](#)

Dealing With Religion in the Workplace

Material Handling & Logistics - David Sparkman

EEOC's increased targeting of employers makes it expensive when you trip up.



In his later years, 18th Century French philosopher Voltaire observed that during his lifetime he was ruined by two law suits—one which he had lost, and another which he had won. Most employers may not possess Voltaire's famous wit, but too many can recognize the sentiment. Even when you win an employment law suit, the direct and indirect costs, along with the mental aggravation, can take a toll that makes you wonder if you really won.

Consider these two cases. In one there is no question that the employer lost. In January, a jury awarded \$21.5 million to a hotel dishwasher who was fired for refusing to work on Sundays after management had accommodated for her religion in this regard for years. Because of a cap on jury awards, she is unlikely to receive much more than \$535,000, but her former employer, Miami's Conrad Hotel, got to see its name linked with hers on network news and the front pages of major newspapers across the nation. [Read Article](#)

U.S. Worker Depression Rates Skyrocket

EHS Today - Stefanie Valentic

Young employees experience "severe decline" in mental health.



Despite historically low unemployment rates, the health and mental well-being of U.S. workers continues to fall.

New research from Happify, a mental health app, shows that American employees with symptoms of depression rose more than 18% between 2014 and 2018.

"Given the costs of depression for employers - about \$210 billion annually and 32 days of lost productivity for each employee with a depressive disorder, this research should raise alarms about the mental health needs of American workers," said Ran Zilca, Happify chief data science officer. [Read Article](#)

More Than Half of Americans Have Unhealthy Work-Life Balance

EHS Today - Stefanie Valentic

New survey results indicate U.S. workers take vacation days for reasons other than rest and relaxation.



U.S. workers are trapped in an unhealthy work-life balance and can't find the time to unwind after hours, according to Groupon analysis.

The e-commerce company asked 2,000 Americans about what causes them stress at work and what they do to remedy it.

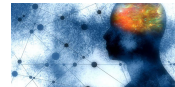
"Balancing the demands of a career and family can be tough, which is why it's so important to make sure that you regularly give yourself a break," said Silvija Martincevic, Groupon's vice president and general manager of health, beauty and wellness.

Sixty percent of respondents indicated that the pressures and responsibilities of the workplace and home life don't have boundaries. A third of Americans said they work too hard, with 40% responding that they work too many hours. [Read Article](#)

It's All in Your Mind

EHS Today - Dave Blanchard

By definition, the responsibility of an EHS professional is to provide and maintain a workplace environment that is healthy and safe for all employees, as well as others who are on the premises. Keeping workers safe from physical harm from equipment, vehicles and even other employees is implied in that job description, but there's a disturbing and growing trend that suggests sometimes the biggest threat to a worker is their own state of mind.



Those who suffer from mental illness carry a stigma that for far too long has seen them treated as a minority, as somehow "less than normal," whatever that means. In fact, the whole concept of "normal" needs to be reconsidered; according to the Centers for Disease Control and Prevention (CDC), more than half of the population has been or will be diagnosed with a mental illness or disorder at some point in their lives. What's more, in any given year 20% of Americans will experience a mental illness. So if anything, mental illness is the norm rather than the exception. [Read Article](#)

The Not-So-Quiet Dangers of Hearing Loss

EHS Today - Reed Erickson

Some of the most prevalent workplace hazards aren't seen—they're heard. The National Institute for Occupational Safety and Health (NIOSH) reports that 22 million U.S. workers are exposed to damaging noise levels at work, and according to the Centers for Disease Control and Prevention (CDC), workplace-related hearing loss is the most commonly reported injury.



It's not surprising, then, that hearing loss disability accounts for an estimated \$242 million in workers' compensation payments each year, according to the Department of Labor.

Approximately 48 million Americans have some degree of hearing loss, according to the Hearing Loss Association of America. The National Institutes of Health estimates that 15% of those aged 20 to 65 are living with some level of noise-induced hearing loss.

Noises over 85 decibels (dB) warrant the use of protection. For reference, normal talking is 60 dB, city traffic is 85 dB and a rock concert or a tractor is

If you find you cannot identify, explain or document your firm's worker development process, then you probably noticed it is difficult to accommodate change or measure and improve worker performance

Spend a few minutes to learn more about a worker training approach:

- designed for manufacturing;
- proven for any industry;
- customized to your job classifications, your tasks and specifications, and your business operation's needs...

Does your organization struggle 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 - through structured on-the-job training to full job mastery. with a small investment and huge return?

Check the "Upcoming Events" section of this newsletter for when a Proactive Technologies Representative will be in your area next and schedule an onsite briefing!

Proactive Technologies, Inc. [always offers a low-to-no risk pilot program approach](#). We work with the client to design a project to fit their budget and meet their business needs.

Plan to attend one of our **scheduled *live* online presentations** (see schedule on left) **OR tell us a date and time that fits your schedule**, which we can follow-up with an onsite presentation. Or skip the online presentation and schedule an onsite briefing.



The PROTECH™ approach:

- Is designed to your job classification, your operation and incorporates your firm's specifications, process, standards and policies;
- Ends your worries and costs over finding qualified candidates and closing the "skills gap;"
- Drives every worker to full job mastery while they simply learn their job;
- Cuts your employee turnover costs;
- Captures worker expertise before it leaves and use it to quickly and thoroughly train replacements;
- Provides metrics and reports for process monitoring and improvement.

European-style apprenticeships without the exorbitant cost... whether registered or not.

We research available training grant funds for each project and help the client apply. Grants may offset most or all of the investment to set-up and implement the structured training system!!

Low investment, no risk, high returns - everything to gain!

Isn't 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!



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