

Proactive Technologies, Inc.<sup>™</sup> 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 w orker capacity, w ork quality and quantity, and w orker compliance (ISO9001:2015, AS9100D, TS16949, engineering and quality specifications, and safety requirements).



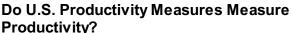
Human Resources Management for Tomorrow ... Today!

Issue: July, 2019

## **Proactive Technologies News**

The *Proactive Technologies Report* newsletter is a Free Service of Proactive Technologies Inc. Share With a Colleague

## HAVE A SAFE AND WONDERFUL 4th OF JULY HOLIDAY!



by Dean Prigelmeier, President of Proactive Technologies, Inc.



A disturbing emerging trend, particularly in the last three decades, concerns the accuracy and quality of the

economic statistics reported to the public. You probably have noticed lately that monthly statistics such as Gross Domestic Product, U.S. International Transactions, Unemployment and Job Creation have been issued with encouraging numbers one month only to be quietly revised dow nw ard a few months later. Businesses, consumers and policy makers can only implement effective strategies and correct potential dangerous courses if working with accurate data. One of those measures concerning w orker relevance, development and effectiveness is "productivity."

Think tanks have sprung up in Washington issuing reports and policy statements, and some put a cloak of perceived "credibility" around statements they release meant to support a policy direction or change its course - both to the benefit of a segment of subsidizing interests. Confusing us even more is the media's propensity to report, as "new s," press releases emanating from these think tanks as if accurate, unbiased and inherently factual. Some may be, but when they are reported through the same careless filter, it throws them all into suspicion. The decrease in the number of accurate, readily available sources of news and facts can derail a life or business strategy.

Take for example the daily explanations by news and business show anchors of w hy the stock market gyrates up or dow n, as if the collective market can alw ays be explained simply as, "the stock market reacted to the federal reserve's decision to not act," or "the stock market tumbled because of the results of the presidential election" - only to recover fully the next day. Could another simple explanation be that the market moved one w ay or another because groups w ith large holdings decided to move them?

"Unfortunately, however, figures on productivity in the United States do not help improve productivity in the United States." W. Edwards Deming

Another example is the preoccupation with w hat is referred to as "inflation," w hich is based on the <u>consumer price index</u> ("CPI"). <u>Read More</u>

### Decreasing the Cost of Turnover WHILE Increasing Worker Capacity, Work Quality and Compliance...With One Approach!



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

## 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 <u>News and Publications</u> page or click <u>Proactive Technologies Report</u> <u>July 2019 Issue</u>. While at our web site, check out past newsletters, articles and more.

Helping employers to unlock worker value since 1986!



## Sign-up for our <u>free</u> monthly newsletter

It's easy. Just click on the "Join Our Mailing List" link above. Make sure you continue to receive news that matters to you and your industry, from around the world.

### In This Issue

Proactive Technologies' Workforce Development News

Industry News

**Financial News** 

International News

International Trade News

Education and Workforce Development News

**Quality News** 

Cyber Security and IT News

Human Resource Management News

Environmental, Health & Safety News

## <u>Free</u> - *Live* Online Presentation Schedule

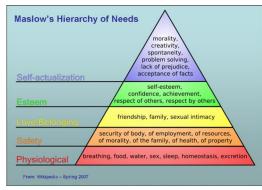
If interested in attending one of the presentations below, click on the title, then select a date/time and press "Send." An an online presentation invitation and link will be sent to you. On the date and time of the event, just click on link in email invitation and it will connect you to the presentation. **No special equipment required**. One of the blow backs of persistently low compensation (i.e. hourly wage rate plus benefits and opportunity for advancement) is the corresponding high rates of employee turnover. The cost of turnover these days can be burdensome for any organization, and most encountering it express that they would like to minimize it.

In a previous article entitled "<u>The High Cost of Employee Turnover</u>" the causes, the costs and solutions were discussed. A handy way to estimate the cost of turnover to the organization was expressed. The Aspen Institute released a "<u>Cost of Turnover</u>" estimate tool of their own to assign a dollar figure to a firm's level of turnover, to understand to w hat degree it is currently impacting operations and to explain to how turnover presents barriers to expansion or market adjustments.

Organizationally, things can be done to add window dressing that will attract candidates, but only a worker perceiving job stability and income sufficiency will stay away from actively seeking a better opportunity. Additional education and job-specific training opportunities may keep the worker from dw elling on the inadequate compensation for a while, but not

adjusting compensation for the earned skills and value can fuel resentment.

One need only to revisit the <u>Abraham</u> <u>Maslow's Hierarchy</u> <u>of Needs</u> of college lectures to understand the pow erful influence income instability or insufficiency can



have on an individual's decision making. The Crash of 2008 drove most of the w orkforce to despair from higher tiers dow n to the fundamental first tier of Maslow's pyramid. Jobs w ere lost, homes w ere lost, dignity and selfw orth w as stolen and to this day few have felt that they gained that back. <u>Read More</u>

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

Education cannot, and should not be asked to, close the "skills gap" on their own. Employers have been concerned about the "skills gap" since the 1980's, and the nature and location of the job has continued to change...at an accelerating rate. Employers have convinced

themselves to wait for education to close the gap. In the meantime, tremendous resources continue to be

expended, but the gap continues to grow .

Educational institutions are not suited, staffed, funded and equipped to train workers for every job, for every employer, nor should they be. Educational institutions do their best work w hen they build the labor supply with strong, relevant basic and core skills (including <u>STEM</u>), and industry-general skills. Whether those efforts are worthw hile and the resources w ell-spent depend on tw o important things: 1) does an employer see value in hiring a graduate, and 2) is there a method in place to ensure those skills are



integrated into mastery of the job-tasks the employer needs performed; the value that will influence the employer to retain them.

Only employers can train the worker on tasks they need performed and that affect their bottom line. They have the need, the facilities, the most current equipment for their operation and the personnel with current expertise. Yet, in reality most employer's methods amount to hardly more than pairing two people and hoping for the best. This is where the gap is most profound and continues to grow. <u>Read More</u>

## Apprenticeships - An Alternative to the "400 Hours

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): <u>PTIpromo - A Preview of an</u> <u>Upcoming Presentation</u> (13 minutes)

FOR FORMER EMPLOYER CLIENTS: PTI1001 - Former Client Employers -Restart Your Organization's PROTECH© Training Infrastructure (45 minutes)

FOR ANY EMPLOYER: <u>PTI1002 - Building an Effective</u> <u>Worker Training/Apprenticeship</u> <u>System - Registered or NotÂ</u> (45 minutes)

<u>PTI1004 - If You Can't Find Skilled</u> <u>Workers, Develop Your Own</u> (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 <u>here</u> 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 Onsite and group presentations

### For Drill Press" Training Model

by Dean Prigelmeier, President of Proactive Technologies, Inc.

"Time-in-Job" Does Not Equal "Tasks Mastered." It does not reveal much about the level, quality, relevancy and transferability of the "on-thejob experience." It is akin to students tests being graded on how long they sat in the classroom. But yet this approach endures. Don' get me w rong, it is better than no on-the-job training effort. How ever, I think w e all agree that it leaves a lot of opportunity on the table.

An unfortunate hold-over from the traditional U.S. apprenticeship is the standard practice of defining the on-the-job training requirement in terms of "number of hours." General w ork areas that are thought of as representative of the job are selected, a number of total hours for each area totaling the on-the-job training requirement are prescribed, and this with the required related technical instruction are registered.

We all know that we have worked, or are now working, next to coworkers who have been in the job classification for many years but for one reason or another seemed to not be able to perform all of the required tasks of the job. Some are called "area specialists," but may have specialized in only the tasks they like to perform. Some might not have had an opportunity to learn and master certain tasks. When they are asked to train the next worker, their scope is limited to the tasks for which they specialized, and the pattern continues when that new person becomes a trainer later on. When Proactive Technologies sets-up a structured, task-based on-the-job training program and assesses incumbent workers to discover any gaps that might exist so that the on-the-job training can close them, it is common to find some long-time workers in the job classification that may have only mastered 20 or 30% of the total tasks that make up the job classification.

So what does the number of hours spent in a job area tell a person about the skills attained by the apprentice? How is this seemingly subjective metric measured and how is it tracked? Does it matter? <u>Read More</u>

Imagine yourself under pressure to master the tasks of your new job with no one to tell you the required tasks and very limited access to a resident expert. It happens... a lot!

The solution is the **PROTECH™ system of** *managed* human resource development! And Proactive Technologies offers pilot program approaches, scale-discounts and opportunities for reimbursement to make your decision simple and successful!

- 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!

<u>Learn more</u> and get ready to maximize worker performance and return on worker investment...while minimizing your investment to do so!

<u>Contact a Proactive Technologies representative</u> to set up a 10 minute phone call that might convince you to learn more about the accelerated transfer of expertise<sup>™</sup>.

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

## <u>July, 2019</u>

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, 177 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-thejob 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<sup>™</sup> 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

- Capture current expert worker expertise and manage it for change 2. Use it to accelerate the transfer of expertise to next
- worker;
- 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** <u>managed</u> human resource development for the <u>accelerated</u> transfer of expertise<sup>™</sup>?

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, First Quarter 2019 (Third Estimate); Corporate Profits, First Quarter 2019 (Revised 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 "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2018, real GDP increased 2.2 percent.

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) decreased \$59.3 billion in the first quarter, compared with a decrease of \$9.7 billion in the fourth quarter. Read Report

### Personal Income, Outlays

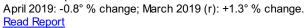
US Department of Commerce - Bureau of Economic Analysis



Personal income increased 0.5 percent in May, the same increase as in April. Wages and salaries, the largest component of personal income, increased 0.2 percent in May after increasing 0.3 percent in April. Read Report

### Manufacturers' Shipments, Inventories, and Orders US Census Bureau

New orders for manufactured goods in April decreased \$4.0 billion or 0.8 percent to \$499.3 billion.



### Advanced Report on Manufacturers' Shipments, Inventories, and Orders

US Census Bureau New orders for manufactured durable goods in May decreased \$3.3 billion or 1.3 percent to \$243.4 billion. May 2019: -1.3° % change; April 2019 (r): -2.8° % change. Read **Report** 

### Job Openings and Labor Turnover

US Bureau of Labor Statistics

The number of job openings was little changed at 7.4 million on the last business day of April, the U.S. Bureau of Labor

Statistics reported today. Over the month, hires edged up to 5.9 million, and separations were little changed at 5.6 million. Within separations, the quits rate was unchanged at 2.3 percent and the layoffs and discharges rate was little changed at 1.2 percent. This release includes estimates of the number and rate of job openings, hires, and separations for the nonfarm sector by industry and by four geographic regions. Read Report









- 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 <u>contacting us</u> to learn more.

www.proactivetechnologiesinc.com

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### OHIO STATE UNIVERSITY EXTENSION





Job-Relevant Technical

### Job Creation The Balance

The U.S. economy gained 75,000 jobs in May 2019, according to the U.S. Bureau of Labor Statistics. There were strong jobs gains across the board. The economy needs 150,000 new jobs each month to keep expanding. Weak grow th means the Federal Reserve won't raise rates at its future 2019 Federal Open Market Committee. <u>Read Report</u>

## Railgun Could Finally Be Tested on Naval Warship THOMAS

In development by General Atomics and BAE Systems since 2005, the Navy's kinetic energy w eapon, or railgun, has had an up and dow n history. The potential of an electromagnetic w eapon capable of firing ten 45-pound metal slugs/minute at speeds of 4,500 mph in melting targets up to 100 miles aw ay has led to government funding in excess of \$500 million.

How ever, a couple of key compatibility issues placed the w eapon's future in doubt. In order to generate its incredible range and velocity, the railgun uses an exorbitant amount of energy. This makes firing it from land difficult, but possible. Operating it from a ship, as originally schemed, has proven extremely challenging. <u>Read Article</u>

### TSA Bolstering Shipping Security



Material Handling & Logistics - Staff In an effort to ensure that security in the transportation system is at its best, the United States Transportation

Security Administration (TSA) has selected 35 representatives, including tw o from the American Trucking Associations and one from the Ow ner-Operator Independent Drivers Association, to become voting members of its new ly created Surface Transportation Security Advisory Committee.

Voting members will serve two-year terms and will report to TSA Administrator David Pekoske on surface transportation security matters. "Trucking is the linchpin of the nation's supply chain," says John Kearney, CEO, Advanced Training Systems LLC. "The TSA clearly understands that drivers will be front and center in remaining on the alert for supply-related threats." <u>Read Article</u>

# **\$2.7B Dreamliner Order from Air New Zealand** *American Machinist - Staff*



Boeing Commercial Airplanes will supply eight 787-10 aircraft to Air New Zealand follow ing a \$2.7-billion booking

from the carrier, w hich already operates the 787-9 and 777 long-range jets. The 787-10 offers more seats and greater efficiency as the airline grows its service network, according to Boeing.

The 787-10 is the largest of three variants for Boeing's 787 Dreamliner, sometimes described as a "stretch" version of the 787-9: the 787-10 measures 224-ft, 1-in. (68.30 m) long and seats 330 passengers in a two-class cabin configuration. It has a range of 6,430 nautical miles (or 7,400 miles / 11,910 km.)

The Dreamliner is a long-range passenger aircraft that Boeing calls its "most fuel-efficient commercial jet design," with a structure that includes a large volume of composite materials to help reduce fuel consumption by up to 20% versus similar-size jets. Advanced aerodynamics, more-electric systems, and turbofan jet engines add to the 787's appeal to airlines. <u>Read Article</u>

### State of Manufacturing: 2019 Forecast



*New Equipment Digest - MFG.com, Inc.* Providing unprecedented insight into the state of manufacturing today, the 2019 MFGWatch Manufacturing

Report collects responses from the most recent MFGWatch survey sent to both sourcing professionals and custom manufacturers who have used the MFG.com Global Custom Manufacturing Marketplace to expand their supply chain and win jobs online.

The report highlights trends and key issues that emerged in 2018 and forecasts challenges facing the manufacturing industry in 2019. The questions included in the survey, as well as a detailed analysis of the responses received, are provided in the report. Any comparisons are in reference to our most recent 2016 MFGWatch report. Over 300 companies participated in the survey. <u>Read Article and Dow nload Report</u>



### ADP: U.S. Added 27,000 Private-sector Jobs in May, the Lowest Number Since 2010 Washington Post - Taylor Telford



Private employers added few er w orkers in May than any month in the past nine years, falling far short of analyst estimates and sending a troubling signal about the state of the U.S. labor market.

Stock markets gave up some gains in premarket trading Wednesday in response to the report from ADP, a payroll processor, as investors balked at signs of trouble in an economy already racked by instability from President Trump's multi-front trade war.

"Not only are factories not coming back to America, the existing companies in the country are not churning out new jobs," Chris Rupkey, chief financial economist at MUFG Union Bank, w rote in a note to investors on Wednesday. "If this number is to be believed the Trump economics team is going to have to find a new way to boost economic grow thas the economy is clearly slow ing and a slow ing economy does not make business run out and hire a lot of new people to help them sell and produce goods and services."

The nation's private employers added 27,000 jobs in May, the low est monthly number since March 2010, and a far cry from the 100,000 to 250,000 range forecast by analysts. Read Article

### Economy Adds 75K Jobs in May, Well Below Expectations

The Hill - Sylvan Lane The U.S economy added 75,000 jobs in May, the Labor Department reported Friday, falling short of expectations by nearly 100,000 jobs ..



Economists expected the U.S. to add roughly 185,000 jobs in May after a massive gain of more than 200,000 jobs in April.

But employment grow th fell w ell short of that mark in May, though the unemployment rate and labor force participation rate stayed even at 3.6 percent and 62.8 percent respectively. Read Article

### Low Prices, Floods and Trade Wars Plague American Farmers, Putting Their Survival at Risk MSN Money - USA Today-Paul Davidson



The troubles have created the worst farm crisis since the 1980s, when oversupplies and a U.S. grain embargo against the Soviet Union forced thousands of farmers into bankruptcy, experts say.

"It's not the 1980s, but it's as close as we've been," says John New ton, chief economist of the American Farm Bureau.

While some farmers have been shutting dow n or selling to larger competitors for years amid thinner profits, analysts say 2019 will bring a more dramatic shakeout. Read Article

### Why Water Sustainability Needs to be High on Your Risk Radar



ThomasNet - Staff Writer A precious, finite resource - vital for the continued survival of the human race.

Exchanges among shady businessmen and guestionable back-door deals leave the resource in the ownership and power of one man, who then uses this power to blackmail and bribe his way to further ower.

If you think this sounds like the plot to a James Bond movie, you'd be right. The Quantum of Solace film from 2008 may take artistic license with the outcomes of such an event, but there's no doubting the dangers facing the global population when it comes to water in 2019.

Globally, 1.2 billion people lack access to clean drinking water and water scarcity impacts 2.8 billion people for at least one month each year. Read <u>Article</u>

### Climate Change Is Transforming the Economy. How Will Your Company Adapt? IndustryWeek - Kellogg Insight



Until organizations learn to internalize the threat, they're in danger of falling behind.

In case the wildfires, hurricanes, fatal winters, and U.N. reports weren't

and Support Advanced Automation Technology for Manufacturing

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- SAR Offers Other Specialty Courses for Manufacturing



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## **MEMORABLE QUOTES**

"You have one chance to train a worker...only one so don't muff it."

W. Edwards Deming American engineer, statistician, professor, author, lecturer, and enough to convince business leaders to care about climate change, the World Economic Forum-for the third year in a row-cited "extreme w eather" as the greatest threat to the global economy. Climate change is no longer a distant concern for all but a few specialized companies; it's an imminent reality w ith implications for every industry.

So...are businesses prepared? From the perspective of a casual observer, they may appear to be. After all, they've been addressing the problem of climate change for years-through a series of pledges, initiatives, consortia, partnerships, and commitments to report sustainability numbers. Read Article

### How Do Laser Cladding and Laser Welding Differ?



American Machinist - Megan R. Nichols Laser cladding and laser welding are different processes, but they serve similar needs: to join materials. There are some peculiarities and benefits to each one, and in some cases professionals can use them in tandem.

Let's take a look at w hat each process is, and w hat it offers.

What is laser cladding? - Laser cladding, also called "laser deposition," involves the use of filler material to create a metallurgical bond betw een a metal substrate and a metal coating. <u>Read Article</u>

### Auto Sector Cutting Jobs Fastest Since Recession

*IndustryWeek - Agence France-Presse* So far in 2019, auto companies have announced 21,446 job cuts, more than triple the amount in the first five months of 2018 and the highest five-month total since 2009.

American automakers are slashing workforces at the fastest pace since the Great Recession a decade ago, slimming dow n to remain competitive, according to a report released on June 6.

The job cuts by auto firms come as layoffs in the tech and telecom sectors also continue apace, according to the outplacement firm Challenger, Gray & Christmas.

President Donald Trump has been especially sensitive to layoffs in the auto sector, w hich have hit voters and regions that supported him in 2016. <u>Read</u> <u>Article</u>

### Amazon is Poised to Unleash a Long-feared Purge of Small Suppliers AdAge



Aim is to focus w holesale purchasing on major brands like Procter & Gamble, Sony and Lego: Bloomberg New s

Two months ago, Amazon.com halted orders from thousands of suppliers with no explanation. Panic ensued -- until the orders quietly resumed weeks later, with Amazon suggesting the pause was part of a campaign to weed out counterfeit products. Suppliers breathed a sigh of relief.

Now a larger, more permanent purge is coming that will upend the relationship between the world's largest online retailer and many of its long-time vendors.

In the next few months, bulk orders will dry up for thousands of mostly smaller suppliers, according to three people familiar with the plan. <u>Read</u> <u>Article</u>

# Factories and Coal Mines Bring Income Relief to Some States



Governing - Stateline-Tim Henderson

High-paying blue-collar jobs lifted incomes in West Virginia, New York and Illinois last year, even though the states lost residents, while farmers and government workers shared the pain of more stagnant income in Nebraska, Maryland and Washington, D.C.

The new per capita income numbers show how national policies and international markets directly affect state and local pocketbooks. Deregulation in the United States and a heat wave in China boosted coal demand in West Virginia, for example, while overseas mining and farming led to more giant truck manufacturing in Illinois. At the same time, U.S. tariffs hurt Nebraska soybean farmers. <u>Read Article</u>

management consultant 1900-1993

### "No society can surely be flourishing and happy of which by far the greater part of the numbers are poor and miserable."

Adam Smith

Scottish economist, philosopher and author as w ell as a moral philosopher, a pioneer of political economy and a key figure during the Scottish Enlightenment, also know n as The Father of Economics or The Father of Capitalism 1723 - 1790

### "A successful man is one who can lay a firm foundation with the bricks others have thrown at him."

David Brinkley American new scaster for NBC and ABC 1920 - 2003

## Recent Proactive Technologies News Article Quicklinks

### <u>June</u>

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.

Thinking Past the Assessment -Unfinished Goals and Unrealized Expectations

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

### <u>Is the "Gainful Employment"</u> <u>Requirement For Education</u> <u>Realistic?</u>

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

### Is an Apprenticeship Without Structured On-The-Job Training an Apprenticeship? by Dean Prigelmeier, President of Proactive Technologies, Inc.

### 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

# EDA Prioritizes Applications for Projects Located in Opportunity Zones

The U.S. Department of Commerce - Economic Development Administration

Today, U.S. Assistant Secretary of Commerce for Economic Development Dr. John C. Fleming announced that



Economic Development Dr. John C. Fleming announced that EDA has added Opportunity Zones as an Investment Priority. This new Investment Priority will significantly increase the number of catalytic Opportunity Zone-related projects that EDA can fund to spur greater public investment in these areas.

"Opportunity Zones were created under President Trump's 2017 Tax Cuts and Jobs Act to stimulate economic development and job creation by incentivizing long-term investments in low -income and underserved neighborhoods across the country," said Dr. Fleming. "By making Opportunity Zones an EDA investment priority, we are better able to align our w ork to advance this important Trump Administration priority." <u>Read</u> <u>Release</u>

### 8 Weld Functions You Should Be Using



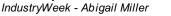
New Equipment Digest - Chris Anderson No matter the manufacturing industry, company size or par dimensions, the purpose of robotic welding is the same: to

produce high-quality w elds in the least amount of time. While there may be a bit of a learning curve w hen it comes to reaching optimal w eld quality and cycle time, the follow ing w eld functions are available to take your w eld process to the next level.

### **Collision Detection**

This is a standard function that will stop the robot if it over torques one of the axes. Yaskaw a robots are shipped with a setting that is approximately 1/3 of the sensitivity. Users can "tune" the function to their application by refining the settings based on their actual application, making the softw are more responsive to better protect the robot and tooling. <u>Read Article</u>

### GM to Expand Production at Flint Truck Plant



General Motors Co. announced today they will be investing \$150 million at the Flint Truck Assembly to increase

production of the new Chevrolet Silverado and GMC Sierra heavy-duty pickups.

This new investment follows GM's May announcement to expand full-size pickup production capacity in Fort Wayne, Indiana. <u>Read Article</u>

### Insys to Pay \$225M to Settle Painkiller Probes

*CFO.com - Matthew Heller* Opioid maker Insys Therapeutics has agreed to pay \$225 million to settle allegations that it paid kickbacks to doctors and nurse practitiioners to induce them to prescribe its flagship fentanyl painkiller.



As part of the deal, Insys will plead guilty to five criminal counts of mail fraud and pay a \$2 million fine and \$28 million in forfeiture. It will also pay \$195 million to settle several w histeblow er law suits accusing it of violating the False Claims Act.

The settlements came a month after a jury found lnsys founder John Kapoor and four other former executives and managers guilty of bribing doctors and misleading insurance companies. <u>Read Article</u>

### CEO Departures Hit a 17-Year High in 2019

CFO.com - David McCann CEOs are leaving their posts in 2019 at a rate not seen in at least 17 years, according to data from outplacement and executive coaching firm Challenger, Gray & Christmas.



The firm says it tracks CEO changes at public, private, and government/nonprofit entities that have been operating for at least two years and have a minimum of 10 employees. It gathers information from public filings, press releases, and news reports.

Through May of this year, Challenger identified 627 announcements of CEO departures, up 16% from last year's corresponding number (541). Read <u>Article</u>

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.

## <u>April</u>

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.

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.

### **February**

Is it Possible to Close the "Skills Gap" if Focused on the Symptom, Not The Cause? by Dean Prigelmeier, President of Proactive Technologies, Inc

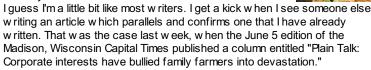
Internships of Value - For Employer and Intern

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

<u>Workforce Development</u> Partnerships That Last; My

## Don't Let Small Manufacturers Go the Way of the Small Farmer

IndustryWeek - Paul Ericksen



If you compare its content and conclusions, you may notice some overlap between it and my article "Rest in Peace, Piece-Price."

The premise of the Capital Times article w as that family farms have, over the last 50 to 60 years, pretty much disappeared from the agricultural landscape in this country, to be replaced by corporate farms. As a result, the taste and quality of the food w e eat has suffered. The parallel I drew from this article w as that over the last 25 years, I've been seeing the same thing happening w ith small- and medium-sized manufacturers, w hose employment has gone dow n, as has their contribution to our domestic economy. <u>Read Article</u>

# Boeing Awarded \$194M for Special Ops Helicopters



American Machinist - Staff Boeing Defense, Space and Security la

Boeing Defense, Space and Security landed a new, \$194-million U.S. Army contract to build seven helicopters for the Special Operations Aviation Command. It is the second modification (Block II) to the MH-47G Chinook helicopters program, follow ing last year's initial contract.

In its announcement, the U.S. Dept. of Defense said the contract modification "is required to sustain U.S. Special Operations Forces (SOF) heavy assault, rotary wing aircraft, and to mitigate the impact of the MH-47G aircraft availability in light of increased SOF operational demands." Read Article

## Nikola Motor Corp. to Build Hydrogen-Electric Trucks in Arizona

Area Development - Steve Kaelble, Staff Editor The \$1 billion Nikola assembly plant is helping to build Arizona's future in the creation of new-technology vehicles.

For those planning a new facility, it certainly makes sense to pick a place where others in the business are already operating. Industry clusters afford access to experienced labor, existing suppliers, and other support systems. But what if you're in an industry so new and different a critical mass of activity hasn't really emerged just yet? You begin with a clean slate and blaze a trail.

Such w as the case w ith Nikola Motor Corp. Yes, its product is big trucks, and there certainly are places w here lots of big trucks are already being built. But these are trucks of the future, propelled by cutting-edge hydrogen-electric technology. The company last year picked Arizona - a state w ithout a long history of motor-vehicle assembly - for a billion-dollar assembly plant that'll create 2,000 or more jobs. <u>Read Article</u>

### California Utility PG&E To Pay \$1 Billion To Local Governments For Wildfire Damage

NPR All Things Considered - Richard Gonzales California utility giant Pacific Gas and Electric Co. (PG&E) has agreed to pay \$1 billion to 14 local governments



throughout the state for the wildfire damage caused by its equipment and practices.

Attorneys for a group of local public entities - counties and cities announced the proposed settlement Tuesday to help cover taxpayer losses from the 2015 Butte Fire, the 2017 North Bay Fires and the 2018 Camp Fire.

The tow n of Paradise, w hich w as virtually destroyed by the 2018 Camp Fire, w ill receive \$270 million. Another \$252 million is designated for Butte County and \$47.5 million for Paradise Recreation and Parks District. <u>Read</u> <u>Article and Hear Podcast</u>

### GM Plots Temp-Worker Push With Union Still Seething Over Doomed Plants IndustryWeek - Bloomberg



General Motors Co. w ants to hire more temporary w orkers at U.S. plants and trim its health care costs, said people familiar with the automaker's thinking. Its union- still steaming over the carmaker's plans to close four U.S. factories -- has little interest in obliging.



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.

### January

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.

<u>A "Pay-for-Value" Worker</u> <u>Development Program - Fair to</u> <u>Management and Workers, and</u> <u>Effective Too!</u>

by Stacey Lett, Regional Manager -Eastern U.S. - Proactive Technologies, 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 by Dr. Dave Just, former Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting

Replicating Your Best Performers by Dean Prigelmeier, President of Proactive Technologies, Inc.

### December

Is It Possible To Improve Worker Performance Without Documented Task Mastery? by Dean Prigelmeier, President of Proactive Technologies, Inc.

"Realistic Job Previews" Can Be a Useful Tool for Measuring a Prospective Employee's Transferable Task-based Skills by Stacey Lett, Regional Manager -Eastern U.S. - Proactive Technologies, Inc.

Proactive Technologies Discount Program Ends, But..."Low-Risk" Pilot Approach Option Remains in Effect by Proactive Technologies, Inc. Staff

Confusion Over What Constitutes "Training" is Stumbling Block to Effective Worker Development Strategies by Dean Prigelmeier, President of Proactive Technologies, Inc.

### **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 That sets up a hot summer of negotiations for the United Auto Workers and GM as the two try to hash out a new four-year labor deal in the coming months. The last contract was bargained over in better times, when auto sales were growing from financial crisis lows to all-time highs and GM was marching tow ard record profits. <u>Read Article</u>

#### Boeing Lands \$24B Deal for 737 MAX Jets American Machinist - Staff



Boeing Commercial Airplanes has taken an order valued at more than \$24 billion from International Airlines Group, a holding company, for 200 of its 737 MAX narrow-body aircraft. The high-profile order was appounced by Boeing and its customer with a letter of

profile order was announced by Boeing and its customer with a letter of intent at the biannual Paris Air Show .

One of the world's largest airline groups announced today it plans to build its future fleet with the International Airlines Group (IAG) is the parent company for Aer Lingus, British Airw ays, Iberia, Vueling and LEVEL, and its single-aisle aircraft are mainly Airbus A320 series jets. How ever, IAG operates a significant number of Boeing tw in-aisle aircraft, including the 777 and 787 Dreamliner, and recently placed a firm order for the new 777X long-range aircraft. <u>Read Article</u>

# Siemens to Cut 2,700 Jobs at Energy Unit Due for Listing



IndustryWeek - Bloomberg

Siemens AG said it will cut 2,700 jobs at its pow er and gas division, part of a sw eeping overhaul announced last month to spin off the embattled business.

The reductions, representing about 4% of the unit's workforce, will take place over several years, mainly at engineering, procurement and construction projects, as well as pow er transmission products, Siemens said Tuesday. About 1,400 of the lost positions will be in Germany. The decision comes on top of 10,000 job cuts at other businesses announced in May. <u>Read Article</u>

### BASF to Cut 6,000 Jobs to Drive Down Costs Amid Slowdown IndustryWeek - Bloomberg



BASF SE is cutting 6,000 jobs worldwide in a bid to cut costs as demand slows for chemicals used in industries ranging from cars to electronics.

The workforce reductions will impact operations globally and are expected to generate savings of 300 million euros (\$341 million), the Ludwigshafen, Germany-based company said in a statement on Thursday. <u>Read Article</u>

## **Financial News**

# SEC Sues Alleged Cryptocurrency Pyramid Scheme Operator

CFO.com - William Sprouse

The Securities and Exchange Commission has accused Daniel Pacheco of operating a multimillion-dollar cryptocurrer

Daniel Pacheco of operating a multimillion-dollar cryptocurrency pyramid scheme.

In a complaint, filed in U.S. District Court for the Central District of California, regulators alleged Pacheco of conducting a fraudulent, unregistered offering of securities through two California-based companies he controls, IPro Solutions and IPro Network. From January 2017 through March 2018, IPro raised more than \$26 million from investors by selling instructional packages that provided lessons on e-commerce.

"We allege that Pacheco hid an old fraud under the guise of cutting-edge technology," said Michele Wein Layne, director of the SEC's Los Angeles regional office. "He enticed investors by offering them the opportunity to speculate in cryptocurrency, when in fact he was simply operating a pyramid scheme." Read Article

## High Court Rejects Extension of Citizens United

*CFO.com - Matthew Heller* The U.S. Supreme Court has declined an opportunity to



extend its landmark Citizens United campaign finance decision by striking dow n Massachusetts' ban on corporations making direct contributions to political campaigns.

Tw o Massachusetts companies had asked the Supreme Court to review their First Amendment challenge to the state ban, arguing the 2010 Citizens

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.

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.

### **September**

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 United ruling trumps an earlier decision - Federal Election Commission v. Beaumont - that rejected a challenge to the similar federal ban.

But in an unsigned order, the high court on Monday left intact the Massachusetts Supreme Judicial Court's decision that found the state ban w as constitutional, in part because it serves the important purpose of preventing corruption and the appearance of corruption in elections. Read Article

# How to Attract Startups and Tech Companies to a City Without Relying on Tax Breaks

Harvard Business Review - Jeffrey Bussgang, Craig Montuori, and William Brah



Startup ecosystems are the key to grow ing a vibrant regional economy. Time and time again, these clusters of talent and science drive job creation, new business formation, and attract investment capital. Ultimately, these are the elusive ingredients that lead to greater prosperity and equity in our communities. The Amazon HQ2 opportunity w as a wakeup call for many business and civic leaders. Despite all the applications from smaller and mid-size cities, Amazon chose to invest in two metro superstars: New York and Washington, D.C (and the company wound up pulling out of plans for the New York headquarters). That result was an indication that the traditional economic development strategy of deploying taxpayer dollars as subsidies and incentives in exchange for corporate relocations is a waste and needs to be replaced by an intensive focus on public investment in startup ecosystem infrastructure.

Today's business leaders are increasingly called upon by civic leaders to contribute to a city's economic development and equity efforts. Instead of simply seeking tax breaks in exchange for jobs or providing donations to a pow erful politician's favorite initiative, business leaders interested in having a civic impact should instead roll up their sleeves and collaborate with political leaders to invest in basic infrastructure and leverage diverse talent to help foster vibrant ecosystems. <u>Read Article</u>

# Advice From 3 Former Mayors: Grow Your Own Entrepreneurs



Area Development - Governing - Richard Berry, former mayor of Albuquerque; Betsy Hodges, former mayor of

*Minneapolis; Mark Stodola, former mayor of Little Rock, Ark.* More and more cities are coming to understand that the key to developing their economies is the job-creation assets they already have.

The outpouring of interest and excitement over Amazon's competitive selection process for its second headquarters last year w as unprecedented, as nearly 240 communities competed for the online retail giant's promise of 50,000 new jobs. But the process also renew ed longstanding criticism of states' and local governments' economic development strategies, in particular the use of tax and other incentives to lure new employers.

Win or lose, though, the Amazon chase did do cities a service. It brought to light something more fundamental to generating new economic development and opportunity than even landing the next big thing: their ow n assets. The Amazon competition show ed that there is no lack of people, passion, creativity and talent to try to make those unique assets shine. Read Article

# Trump's Tariffs Have Already Wiped Out Tax Bill Savings for Average Americans

Bloomberg - Laura Davison

Bloomberg

President Donald Trump's trade w ars have already w iped out all but \$100 of the average American household's w indfall from Trump's 2017 tax law. And that's just the beginning.

That last \$100 in tax-cut gains could soon completely disappear -- and then some -- because of additional tariffs Trump has announced. If the president makes good on his threats to impose levies on virtually all imports from China and Mexico, those middle-earning households could pay nearly \$4,000 more.

Subtract the tax cut, and the average household will effectively be paying about \$3,000 more in taxes through additional levies on the products they consume. Read Article

SEC Adopts Rules Requiring Brokers to Put Customers' Interests Above Their Own. Advocates Say it Won't Protect Consumers. Washington Post - Renae Merle



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.

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   the key to retention - rather than leaving it to chance;
- properly aligns w orkforce development resources and maximizes the impact and results;
- allow s you to engage an employer's facility, equipment and staff in the training process;
- provides the best infrastructure for apprenticeships and

Wall Street scored another major victory Wednesday over Obama-era regulations.

The Securities and Exchange Commission approved a rule requiring brokers to not put their ow n interests before those of their clients. But the rule falls short of w hat many consumer advocates say is necessary to address conflicts of interest that permeate Wall Street and is far w eaker than a rule adopted during the Obama administration.

The SEC approved the rule by a 3-to-1 vote with the commission's sole Democrat, Robert Jackson, voting against it. Jackson is a law school professor w ho has been on the panel since January 2018. "This action is long overdue," said SEC Chairman Jay Clayton, noting that 43 million Americans have a retirement or brokerage account. The rule

"benefits retail investors and our markets for years to come." Read Article

### Bank Profits Surge 8.7% to \$60.7 Billion in Q1 CFO.com - Matthew Heller

U.S. banks' profits jumped 8.7% in the first quarter of 2019, driven in large part by grow th in interest income.



In its latest quarterly banking profile, the Federal Deposit Insurance Corp. said federally-insured commercial banks and savings institutions reported aggregate net income of \$60.7 billion in the first quarter of 2019, up \$4.9 billion from a year earlier.

Net interest income rose \$7.9 billion (6%) to \$139.3 billion, with 79.3% of banks reporting an improvement from a year earlier. Average net interest margin - the amount banks earn from interest against the amount they pay out - grew to 3.42% from 3.32% a year ago. <u>Read Article</u>

### Why Terminating a Pension Plan May Be Unaffordable

*CFO.com - Brian Donohue and Mike Barry* Put simply, when companies terminate defined benefit pension plans, they're looking to save money. But: they still may not be able to afford it. How's that?



First, the cost of the termination will typically exceed the book value of plan liabilities by 15% to 35% for non-retirees and 5% to 10% for retirees.

The exact amount of this cost will depend on plan provisions and how many participants accept a lump-sum offer. (Plan-sponsoring employers typically offer participants a lump-sum payout in lieu of their accrued benefits, then buy annuities from an insurer to settle the liabilities pertaining to participants w ho didn't accept the lump sum.) <u>Read Article</u>

### Tax on Nonprofits Could Snare Companies, Too CFO.com - David McCann



Companies with affiliated tax-exempt entities could find themselves surprised to be on the hook for a new tax, in light of interim guidance recently released by the Internal Revenue Service.

A controversial provision of the Tax Cuts and Jobs Act imposes a 21% excise tax on compensation that exceeds \$1 million for the "covered employees" of tax-exempt entities. Such entities include 501(c)(3) public charities, private foundations, and other 501(c) exempt organizations.

Covered employees include the five highest-paid employees of an "applicable tax-exempt organization" (ATEO), as well as any employee who was a covered employee of the entity (or any predecessor) for a preceding tax year beginning after Dec. 31, 2016. <u>Read Article</u>

### Ten States Sue to Block T-Mobile, Sprint Merger

CFO.com - Matthew Heller Ten states have throw n a potential roadblock in the w ay of the mega-merger of T-Mobile and Sprint, arguing in an antitrust law suit that the \$26 billion deal w ould cause "irreparable harm."



The merger, which would combine two of the four largest national mobile network operators, is awaiting approval from the U.S. Federal Communications Commission and the Department of Justice. FCC Chairman Ajit Pai appeared to give it his blessing last month.

But in a complaint filed on Tuesday, states led by New York and California requested the deal be permanently enjoined, saying it would stifle competition and increase the prices consumers pay for mobile service.

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"Structured On-The Job Training Checklist Administrator Certification" Read Article

### Facebook Unveils Libra Cryptocurrency, Sets Launch For 2020

NPR - Bill Chappell Facebook is branching into cryptocurrency, unveiling a



new blockchain-based currency called Libra that could challenge bitcoin. Libra will be controlled by a nonprofit group in which Facebook will share responsibilities with companies ranging from Mastercard and PayPal to Uber and eBay.

The currency, which is still in the testing phase, is expected to launch in 2020. Facebook says Libra will have very low fees and that people using its apps will make a number of payments simply by sending a text message.

Facebook also is touting the new digital currency as a service for the 1.7 billion adults worldwide, by a World Bank estimate, w ho don't have access to a bank account, w hich could particularly benefit women and people in developing countries. <u>Read Article and Hear Podcast</u>

### Large Exxon Shareholder Starts Divesting Over Climate Change IndustryWeek - Bloomberg



One of Britain's biggest fund managers started selling shares in Exxon Mobil Corp., saying America's largest oil company isn't doing enough to address climate change.

Legal & General Investment Management, which oversees about \$1.3 trillion and is one of Exxon's top 20 shareholders, said some of its funds have already divested from the company and will ask its clients if it can withdraw more money. <u>Read Article</u>

### The Economics Behind Thin-Cap Rules

The Tax Foundation - Elke Asen To expand and make new investments domestically and in foreign markets, multinational corporations often take



toreign markets, multinational corporations often take external loans or lend money within their global corporate structures. How ever, in some cases, such structures can also be used to decrease w orldw ide tax liability. Thin-capitalization rules (henceforth thin-cap rules) are made to prevent businesses from using debt financing or international debt shifting for tax planning reasons.

For the case of international debt shifting, imagine a business headquartered in Belgium, with a subsidiary in Ireland. The Belgium headquarters takes a loan from its Irish subsidiary, and thus pays interest payments to its Irish subsidiary. Payments on loans and bonds are taxdeductible against profits, low ering the taxable profits. As Belgium has a comparably high combined corporate income tax rate of 29.6 percent, this results in a significantly low er tax bill. <u>Read Article</u>

### FINANCIAL BOOK REVIEWS FOR OUR TIME The Economics of Imperfect Competition

Joan Robinson

Monopolistic competition, market situation in which there may be many independent buyers and many independent sellers but competition is imperfect because of product differentiation, geographical fragmentation of the market, or some similar condition. The theory was developed almost simultaneously by the American economist Edw ard Hastings Chamberlin in his Theory of Monopolistic Competition (1933) and by the British economist Joan Robinson in her Economics of Imperfect Competition (1933).



The theory encompassed a variety of market phenomena, including product differentiation, a situation in which each seller carries goods that have some unique properties in the view of the consumer (brand names, special ingredients, accompanying customer services, etc.) so that the seller may be considered to have a partial monopoly. Also analyzed were oligopoly, which is characterized by an industry composed of a small number of large firms; discriminating monopoly, in which a given item is sold at different prices to different customers; and monopsony, in which there is a single (monopolistic) buyer. Because the bulk of business in developed capitalist economies is conducted under conditions of product differentiation or oligopoly, the enthusiasm with which the analysis was received was understandable. The theory, how ever, ran into difficult problems that prevented its integration into the body of economic analysis. <u>Read Book</u>

## **International News**

"Management Structured On-The-Job Training Project Support Briefing"

"Integrating Support for Plant-Wide ISO/AS/TS Quality and Safety Systems with PROTECH Workforce Development System"

"Supporting "Pay-For-Value" Systems"

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# Mexico, Latin America, South America and the Caribbean

### A Bridge Between India and Latin America: Policy Options for Deeper Economic Cooperation

InterAmerican Development Bank - Giordano, Paolo; Ortiz de Mendívil, Cloe; Jandhyala, Viswanath; Dutta, Akshay The goal of this joint report published by the Inter-American Development Bank (IDB) and Exim Bank is to discuss the outlook for bilateral trade and investment flow s betw een LAC and India, signal the most salient business opportunities at hand, and highlight the contours of an



institutional framew ork that policymakers may shape to harness the benefits of greater bilateral cooperation. It tackles four fundamental questions: Where do w e stand? What is the potential? Where are the business opportunities? And w hat can governments do? <u>Read Report</u>

### Protesters Demand Resignation Of Haitian President Over Corruption Allegations NPR - Merrit Kennedy



Haitian President Jovenel Moïse is facing escalating challenges to his leadership after government auditors found even more evidence of large-scale corruption, ushering in days of street protests and strikes in multiple Haitian cities.

The capital Port-au-Prince has been flooded with protests, calling for the resignation of President Jovenel Moïse. Thick smoke from burning cars and tires filled the air, as protesters waved flags and faced off against security forces.

Late Monday, Rospide Pétion, a radio journalist from Radio Sans Fin, w as shot dead by an unidentified gunman. The circumstances are not clear, The Associated Press reported, though he had "just finished a radio program in w hich he talked about corruption allegations against the administration of President Jovenel Moïse." <u>Read Article</u>

## Power Restored After Tens Of Millions In South America Experience Prolonged Blackout





The lights came back on late Sunday for some 44 million people in Argentina, Uruguay and Paraguay after the sudden collapse of an interconnected South American pow er grid.

At about 7 a.m., the Edesur electric utility tweeted that "a massive failure" left Argentina and Uruguay without power. Electricity was not fully restored until late in the day.

Authorities still weren't sure what caused the outage, but one theory is that a pow er line at a regional hydroelectric dam went dow n. Read Article

# Trade Trends Estimates: Latin America and the Caribbean 2019 Edition 1Q Update

InterAmerican Development Bank - Giordano, Paolo; Michalczewsky, Kathia; De Angelis, Jesica This report presents estimates of Latin American and Caribbean international trade flows in 2018 and an update through the first quarter of 2019. It was prepared by the Integration and Trade Sector (INT) of the Inter-American Development Bank (IDB) in collaboration with its Institute for the Integration of Latin America and the Caribbean (INTAL). Read Report



CFO.com - William Sprouse



The deal with supporting creditors "will reduce the amount of Commonw ealth-related bonds outstanding to less than \$12 billion."

The Commonw ealth of Puerto Rico's Financial Oversight and Management Board, the body tasked with overseeing the restructuring in billions of dollars of the island's debt, has reached an agreement with holders of around \$35 billion of its bonds, accounting for nearly half of its total bonded debt. \* Creates framework for crosstraining, retraining and worker certification;

\* Establishes the framework for employer specific/job-specific apprenticeships and internships registered or not;

\* Builds career development tracks and succession plans for hourly (and salary) workers;

\* Ensures the increased and maintained "Return on Worker investment" through any type of change...

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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 w orkers 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 w on't develop the skilled w orkers you

In a statement, the board and the Law ful Constitutional Debt Coalition (LCDC), which includes major bondholders, said the agreement calls for a 36% haircut on pre-2012 general obligation bonds and a 27% haircut on public authority bonds that carry a constitutional guarantee. The agreement would result in a 60% average haircut for all \$35 billion. Read Article

## Canada, Europe and Great Britain

Germany Braces for Sweltering Temperatures in Europe-wide Heat Wave DeutscheWelle



The heat w ave has shut dow n Hanover's airport, damaged roads and devastated crops - w ith higher temperatures expected. In AC-starved Germany, experts are w arning people to heed the heat and even go home early from w ork.

Germany braced itself Wednesday for sw eltering temperatures that could reach up to 36 degrees Celsius (96.8 Fahrenheit) in some places. On Tuesday, temperatures peaked at 35.9 degrees in the northern town of Lingen, with little relief overnight as temperatures in several large cities hovered around 20 degrees. Read Article

# Brexit: First Ministers Call for Next PM to Reject No Deal



BBC - James Williams The Welsh and Scottish first ministers have said a no-deal Brexit w ould be "disastrous"

The Welsh and Scottish governments have said they will work together to try to keep the UK in the European Union.

Mark Drakeford and Nicola Sturgeon also called on the next prime minister to "change course and rule out" leaving the EU without a deal.

The first ministers are becoming "increasingly alarmed" by "hard-line rhetoric about a no-deal Brexit". <u>Read Article</u>

## Asia, India and Australia

On Historic Visit To Iran, Japan's Abe Hopes To Play Role Of Mediator With U.S.

NPR - Scott Neuman Japan's Prime Minister Shinzo Abe is set to arrive in Iran on Wednesday to begin a historic trip to the Middle Eastern country where he is expected to try to mediate escalating tensions betw een Washington and Tehran.



Abe's two-day visit is the first to Iran for a Japanese premier since Takeo Fukuda in 1978.

Speaking at Tokyo's Haneda Airport just before departing, Abe acknow ledged "rising tensions" in the Middle East and said, "Japan w ants to do as much as possible tow ards peace and stability in the region." Read Article

# Trade War Spurs Manufacturing Investment in Malaysia



The Malaysian state of Penang is winning from global investors' search for safe havens amid the U.S.-China trade tensions.

Foreign direct investments into its manufacturing sector surged 1,360% to 8.47 billion ringgit (US\$2 billion) in the first quarter from a year ago, more than for the entire 2018.

The state stands to gain from changes in the global supply chain as it's well-connected with a strong talent pool and supportive public policies, Penang Chief Minister Chow Kon Yeow said on June 12. <u>Read Article</u>

### China and Southeast Asia Candidate Seeks Closer China Ties, Shaking Up Taiwan's Presidential Race

The New York Times - Chris Horton



TAIPEI, Taiw an - A cacophonous sea of tens of thousands of people, dressed in red and waving flags, chanted and blasted air horns here in Taiw an's capital.

After waiting for hours through rain and seemingly endless speeches, the

need...

The cost of one worker malperformance or one worker's under-capacity or underperformance - 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 <u>structured</u> onthe-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 <u>accelerated</u> transfer of expertise<sup>™</sup>.

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

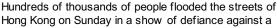
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crow d began cheering ecstatically when Han Kuo-yu, the new star of the opposition Kuomintang, finally arrived. It took him 10 minutes to reach the stage, shaking his clasped hands in appreciation as his admirers crow ded him, hoping to get photos.

The rally last w eekend w as a prelude to Mr. Han's announcement on Wednesday that he w as running for president of Taiw an, jolting the race w ith a populist candidate w ho w ants friendlier ties with China - a sharp contrast to the incumbent, Tsai Ing-w en, w ho rejects China's claim that Taiw an is part of its territory. <u>Read Article</u>

### Hundreds Of Thousands Fill Hong Kong's Streets To Protest China Extradition Bill

NPR - Rob Schmitz, Bobby Allyn



government proposal that would allow people to be extradited to mainland China to face charges.

Organizers of the protest say more than 1 million turned out to the streets, or roughly one in seven Hong Kong residents, but police estimated the crow ds w ere far smaller.

People carrying banners and signs objecting to the government-backed legislation marched and chanted "no extradition" through the city center. Many of the marchers w ore w hite, a symbol of justice and mourning in Chinese culture. Read Article

# Africa, Middle East, Eastern Europe and Russia

Maybe Africa Really Will Be the New China IndustryWeek - Bloomberg



Many African countries might be starting down the wellworn path of manufacturing-driven grow th trodden by the developed world.

When people tell me that Africa will be the new China, I'm not as incredulous as I used to be. The continent is showing potential, and progress could come from w hat many consider to be a highly unlikely area: manufacturing.

All across Africa, investors -- many of them private entrepreneurs from China -- are building factories. Others from India, Sri Lanka, and Bangladesh are joining in, w hile car companies from Japan, Germany, and South Korea are declaring their intent to put assembly plants in places such as Ethiopia, Tanzania, and Ghana. Meanw hile, overall African grow th is looking impressive. The International Monetary Fund forecasts that 6 of the top 10 fastest-grow ing economies w ill be African this year. Those include Senegal, Ivory Coast, Ethiopia, Rw anda, South Sudan and Ghana. <u>Read</u> <u>Article</u>

### (PIIE) The African Continental Free Trade Area Is Coming into Force. Is It Really? AfCFTA



Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH - Peterson Institute for International Economics- Anabel González

At a time when major countries are erecting barriers and disentangling from the global economy, a very different message is coming from Africa, where countries are putting in place the largest free trade area in the world in terms of membership. With ratification by 24 of the 52 signatory countries already completed, the Agreement Establishing the African Continental Free Trade Area (AfCFTA) will be officially launched on July 7 during the Extraordinary Summit of Heads of State and Government to be held in Niamey, Niger. The AfCFTA is complemented by the Protocol on Free Movement of Persons and the Single African Air Transport Market. <u>Read</u> <u>Release</u>

### Deposed Egyptian President Mohammed Morsi Dies, State TV Reports

NPR - Merrit Kennedy Egyptian President Mohammed Morsi, show n here in 2012,

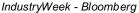


has died, according to Egyptian state television. Ousted Egyptian President Mohammed Morsi has died, Egyptian state television reported Monday, after fainting during a Cairo court session.

As Egypt's first democratically elected president, Morsi led the country for one polarizing year. He was ousted by the military in 2013 following mass protests. Since then, he has been in custody and has faced a series of trials that have been criticized by rights groups. Morsi, 67, hailed from the Muslim Brotherhood group, which is now banned in Egypt.

"His legacy, I'm afraid, will be a mixed legacy - divided among the people within Egypt itself," Khaled Fahmy, a professor of modern Arabic studies at the University of Cambridge, tells NPR. <u>Read Article</u>

### GE, PowerChina Set to Build \$4 Billion Zambia-Zimbabwe Plant





Zimbabw e and Zambia chose General Electric Co. and Pow er Construction Corp. of China to build a \$4 billion hydropow er project straddling their border, Zimbabw ean President Emmerson Mnangagw a said.

The 2,400-megaw att Batoka Gorge plant has been planned for years by the tw o southern African nations, both of w hich are struggling with electricity shortages after a drought curbed hydropow er output. General Electric and Pow er China are in a consortium that w as shortlisted in February to build the facility. <u>Read Article</u>

## International Trade News

### **INTERNATIONAL TRADE DATA**

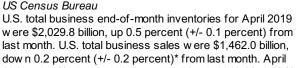
### Monthly Wholesale Trade

US Census Bureau

April 2019 sales of merchant w holesalers w ere \$503.1 billion, dow n 0.4 percent (+/- 0.5 percent)\* from last month. End-of-month inventories w ere \$675.5 billion, up 0.8 percent (+/- 0.4 percent) from last month.

April 2019: +0.8 % change in Inventories; March 2019 (r): 0.0\* % change in Inventories. <u>Read Report</u>

### Manufacturing and Trade Inventories and Sales



r April 2019 prcent) from 62.0 billion, onth. April 9 (r): 0.0\* % change in

2019: +0.5 % change in Inventories; March 2019 (r): 0.0\* % change in Inventories. Read Article

### U.S. International Trade in Goods and Services

US Department of Commerce - Bureau of Economic Analysis



The U.S. current-account deficit decreased to \$130.4 billion (preliminary) in the first quarter of 2019 from \$143.9 billion (revised) in the fourth quarter of 2018, according to statistics released by the Bureau of Economic Analysis. The deficit w as 2.5 percent of current-dollar gross domestic product in the first quarter, dow n from 2.8 percent in the fourth quarter. The previously published current-account deficit for the fourth quarter w as \$134.4 billion. Read Report

# U.S. International Transactions, 4th Quarter 2018 and 1st Quarter 2019

### **19** mmerce - Bureau of Economic



US Department of Commerce - Bureau of Economic Analysis

The U.S. current-account deficit decreased to \$130.4 billion (preliminary) in the first quarter of 2019 from \$143.9 billion (revised) in the fourth quarter of 2018. As a percentage of U.S. gross domestic product, the deficit decreased to 2.5 percent from 2.8 percent. The previously published current-account deficit for the fourth quarter w as \$134.4 billion. Read Report

### US Beer Industry Blames Trump Tariffs for 40,000 Job Losses IndustryWeek - Bloomberg

"Aluminum tariffs are increasing brew ers' costs and are an anchor on a vibrant industry," Jim McGreevy, CEO of the Beer Institute. The U.S. beer industry is blaming a jobs hangover on the Trump administration's tariffs.

A report by two trade groups show ed U.S. beer-industry jobs dropped 40,000 since 2016 as metal tariffs boosted aluminum-can costs, leading to a drop in investment. The biennial study by the Beer Institute and National Beer Wholesalers Association said direct, indirect and induced jobs fell to 2.19 million in 2018 from 2.23 million in 2016. <u>Read Article</u>

### Reshoring Numbers Set New Benchmark ThomasNet - Jeff Reinke

According to the Reshoring Initiative, in 2018 the number of companies reporting new foreign direct investment (FDI) and reshoring w as at the highest level in history, up 38% from the year prior. The combined EDI and reshoring approximate totaled over 145



and reshoring was at the highest level in history, up 38% from the year prior. The combined FDI and reshoring announcements totaled over 145,000 jobs, the second highest annual rate in history.

Manufacturing jobs brought to the United States from other countries is over 757,000 since 2010. This number accounts for an estimated 31% of the total increase in manufacturing jobs for the U.S. during that period, and 3.3% of the 12.8 million employed by manufacturing at the end of 2018. Read Article

### US Goods-Trade Gap Widens Second Month to Highest This Year IndustryWeek - Bloomberg



The U.S. merchandise-trade deficit widened for a second month to the highest level since a record in December as exports dipped. The goods-trade gap grew to \$72.1 billion in April from \$71.9 billion the month earlier, according to Commerce Department figures Thursday, slightly undershooting economist estimates for an increase in the deficit to \$72.7 billion.

The figures precede this month's escalation of the U.S.-China trade as President Donald Trump increased tariffs on goods from the Asian nation. The U.S. is also threatening to add levies on most remaining imports from China. In prior rounds of tariffs, companies had front-loaded purchases and bulked up inventories, which helped buoy grow th in prior quarters but may drag on the economy later in the year. Read Article

# Unwelcomed and Undervalued: The Trouble with Auto Tariffs



IndustryWeek - Paul Ericksen

Poke a friend in the eye with a stick-and when you need them dow n the road, don't assume they will support you.

I try to base my positions on facts and practicality rather than emotions and politics. While I believe that in addition to tariffs, there are other approaches that could help achieve trade parity with China, I fully support the tariffs that have been applied.

China has been operating outside of the commonly accepted boundaries of international trade for almost three decades, and there deserves to be a reckoning. A reckoning that standard free trade w on't bring about.

I also don't blindly follow leadership, w hether it be in a corporate or political setting. And I think that the position the current U.S. administration has taken-that tariffs on European Union and Japanese automobile imports may be necessary to our national security-is one case w here independent thinking is appropriate. <u>Read Article</u>

# China to Create Company Blacklist as Trade War Escalates



IndustryWeek - Agence France-Presse

China on May 31 said it would release a blacklist of "unreliable" foreign companies and individuals, hitting back after the United States targeted telecom giant Huaw ei in their escalating trade w ar.

The announcement w as made a day before Beijing is due to increase tariffs on \$60 billion in U.S. goods, capping a w eek marked by rising Chinese threats of retaliation after President Donald Trump blacklisted Huaw ei.

The U.S. Commerce Department placed Huaw ei on an "entity list" on grounds of national security on May 16, a move that curbs its access to US-made components it needs for its equipment. A 90-day reprieve was later issued. <u>Read Article</u>

### CPA Briefing Paper: Why Economic Forecasts of the Effects of Trade Action Are Consistently Wrong



Coalition for a Prosperous America - Jeff Ferry, Chief Economist, Steven Byers Ph.D., Senior Economist Executive Summary

From the adoption of NAFTA in 1994, through the Trump administration's 2018 tariffs, economic forecasts have consistently failed to predict the impacts of free trade agreements and other trade actions. As this paper

documents, economic forecasts have consistently proven w rong regarding economic grow th, trade volumes, and employment. We look at four distinct causes of these poor forecasts, including the exclusion of positive effects from reducing trade as w ell as a tendency tow ard generalizations that overlook real-w orld conditions. Finally, w e look at how CPA's research team is attempting to overcome these issues by modifying economic models to incorporate the lessons of recent decades.

For more than a quarter century, every major action the US government has taken on trade policy has been accompanied by economic forecasts of their impact on the US economy. And in every case, that forecast has been w rong. Sometimes the actual result has been in the opposite direction from that predicted in the forecast.

These forecasts, based on economic models, are influential. Indeed, US trade law requires that an economic forecast be carried out by the International Trade Commission (ITC) for every free trade agreement the executive branch proposes to Congress. There are good reasons these forecasts are habitually wrong and they go deeper than a simple bias tow ards free trade on the part of the economists or civil servants. <u>Read</u> Paper

### BMW Opens First Mexico Plant as Tariff Standoff Builds



IndustrvWeek - Bloomberg

A 5% tariff would add about \$2,000-\$2,500 of extra cost per vehicle.

BMW AG executives opened the automaker's first Mexican assembly plant extolling its value for the coming years, just a week after President Donald Trump threatened a fresh tariff threat on Mexican goods.

BMW spent about \$1 billion on the plant, set in the vast arid plains of San Luis Potosi in north-central Mexico. It's one of three -- the other tw o are in Germany and China -- that will produce the next-generation 3 Series sedan for sale in the U.S. and other markets.

The automaker has no reason to change its plans for the site because of the current political climate, BMW board member Oliver Zipse said at its inauguration Thursday. The factory will supply more than 40 markets w orldw ide starting next year and "it w ould be very speculative to make decisions on short-term announcements," he said. <u>Read Article</u>

### Key Statistics and Trends in International Trade 2018

United Nations Commission of Trade and Development (UNCTAD) International trade patterns of the last few years have been characterized first by anaemic grow th (2012-2014), then by a dow nturn (2015 and 2016) and finally by a strong rebound (2017 and 2018). From 2012 to 2014 the value of international trade grew at a rate of less than 2 per cent per year, declined by 10 per cent in 2015, and by about 3 per cent in 2016. It then rebounded strongly, grow ing at 10 per cent in 2017. Preliminary data for 2018 indicate an even higher grow th rate. <u>Read Report</u>

# US Has Rail, Truck, Tonnage Surplus in Trade with Mexico



### Material Handling & Logistics - Staff

Although the U.S. goods trade deficit with Mexico is about \$80 billion, the U.S. has a longstanding trade surplus with Mexico in terms of rail tonnage and a grow ing truck tonnage surplus over the past three years, according to an analysis by FTR.

"With China continuing to be problematic, we know that there had been some shifting of sourcing to Mexico, so potential tariffs on Mexican imports raise important questions," said Eric Starks, CEO of FTR. "Either we lose this freight, see increased costs, or both." <u>Read Article</u>

# Retailers Continue to Stock up Inventory to Get Ahead of More Tariffs



Material Handling & Logistics - Staff It's time to stop using American families as paw ns in negotiations for better trade deal, " said Jonathan Gold of National Retailer Federation.

Imports at the nation's major retail container ports are expected to continue to grow this summer as retailers stock up inventory to get ahead of higher tariffs, according to the monthly Global Port

Tracker report recently released by the National Retail Federation and Hackett Associates.

"With a major tariff increase already announced and the possibility that tariffs could be imposed on nearly all goods and inputs from China, retailers are continuing to stock up w hile they can to protect their customers as much as possible against the price increases that will follow," NRF vice president for Supply Chain and Customs Policy Jonathan Gold said. <u>Read Article</u>

### India Increases Tariffs on US Goods

IndustryWeek - Bloomberg India has imposed higher customs duties on a raft of U.S. goods effective Sunday in response to similar measures taken by Washington, according to a government notice.



The increased charges have been imposed on 28 products including chickpeas, phosphoric acid, apples, almonds and walnuts, according to the notice released late Saturday. The country would get about \$217 million in additional revenue from the higher tariffs, the Press Trust of India reported.

The move follows President Donald Trump's decision on June 1 to end trade concessions on \$5.7 billion of goods India shipped to the U.S. as of 2017. These include imitation jew elry, leather products, pharmaceuticals, chemical and plastics and some farm items. <u>Read Article</u>

### Dell, HP, Intel and Microsoft Join Forces to Oppose Trump Tariff



IndustryWeek - Bloomberg

"The tariffs will harm U.S. technology leaders, hindering their ability to innovate and compete in a global marketplace," the companies commented.

Dell Technologies Inc., HP Inc., Intel Corp. and Microsoft Corp. are joining forces to oppose President Donald Trump's proposed tariffs on laptop computers and tablets among \$300 billion in Chinese goods targeted for duties.

The companies submitted joint comments opposing the tariff escalation, saying it would hurt consumer products and industry, while failing to address China's trade practices. <u>Read Article</u>

# Uncertainty in Supply Chain is Blocking International Expansion



Material Handling & Logistics - Staff Businesses need to operate under stable conditions. And when considering expanding to new markets, this is even more impera

considering expanding to new markets, this is even more imperative. So it's not a surprise that a new study from Vuealta found that 55% of the U.S. business decision makers surveyed said political uncertainty and its impact on their supply chains is a key factor holding them back from moving into new markets.

And that's an issue since a majority of U.S. companies (82%) would like to expand into new markets and 36% percent are eyeing expansion opportunities in the BRICS and MINT counties, according to the survey. Read Article

### Mexico Ratifies USMCA North American Trade Deal; First Country to Approve New NAFTA - The Washington Post



The Washington Post - Mary Beth Sheridan

MEXICO CITY - Mexico on Wednesday became the first country to ratify the new North American free-trade agreement, as its Senate voted overw helmingly to approve the deal updating the rules for one of the w orld's largest trade blocs.

Senators voted 114 to 4 to ratify the U.S.-Mexico-Canada Agreement, which needed only a simple majority to pass. Mexico's Senate has sole responsibility for approving international treaties negotiated by the country's president.

Mexico has been a strong proponent of the pact, which builds on NAFTA, the free-trade accord that has transformed this nation's economy over the past 25 years. Mexico sends about 80 percent of its exports to the United States, and the two countries' manufacturing processes have become increasingly intertwined. <u>Read Article</u>

### What's Really Behind Slowbalization

Material Handling & Logistics - Marcin Fic A new focus on regional manufacturing and postglobalization is changing the supply chain landscape.



The international web of interdependence in the world's economies and cultures, know n as globalization, has been driving economic grow th for decades, spurred by low shipping costs, free trade and labor arbitrage. Globalization has established worldwide economies, helped China jump to the global stage, increased offshore manufacturing and driven international cash flow since the early 1990s.

Today, though, with higher wages, increasing shipping costs and shifting consumer needs, we're experiencing a new era where global trade is slow ing dow n and occurring on increasingly regional terms. Read Article

### China, U.S. Still Expanding Steel Output



American Machinist - Staff May 2019 raw -steel production rose 5.4% year-over-year and 5.0% YTD, though most large producer nations are not contributing to the increase.

Global raw-steel production rose for the fourth consecutive month in May 2019, increasing 3.9% over the April result to 162.7 million metric tons. The new total also represents a 5.4% year-over-year increase over the May 2018 result.

Through the first five months of 2019, steelmakers in 64 countries have produced 764.1 million metric tons of raw steel, a 5.0% increase over the January-May 2018 total. Read Article

### Supreme Court Refuses to Hear Challenge to Trump's Steel Tariffs



IndustryWeek - Bloomberg The U.S. Supreme Court refused to question President Donald Trump's imposition of more than \$4 billion in steel tariffs, turning aw ay an appeal that challenged his use of national security as the legal justification for his trade

The appeal by a steel industry trade group and two of its members contended that the provision Trump invoked, know n as Section 232, gives the president such broad discretion to impose tariffs on national security grounds that it violates the Constitution. The Supreme Court made no comment in refusing to hear the case. Read Article

### EU and Mercosur Agree Huge Trade Deal After 20-Year Talks BBC



Brazil is one of four countries in Mercosur

agenda.

The EU and South American economic bloc Mercosur have clinched a huge trade deal after 20 years of negotiations.

EU Commission chief Jean-Claude Juncker said it was the EU's biggest deal to date and, at a time of trade tensions betw een the US and China, show ed that "we stand for rules-based trade".

Brazil's President Jair Bolsonaro said it was "historic" and "one of the most important trade deals of all time".

Mercosur consists of Argentina, Brazil, Uruguay and Paraguay. Read Article

## Education and Workforce Development News

### A Larger Drop in Spring Enrollments

Community College Daily - Matthew Dembicki After a slowing down of enrollment decreases over the past few years, new national figures show that spring-to-

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spring enrollments this year took a tumble. But enrollments for students under age 18 continued to rise, even though the numbers were small. Read **Article** 

### 'Can't Pay Their Bills With Love': In Many Teaching Jobs, Teachers' Salaries Can't Cover Rent USA Today - Erin Richards and Matt Wynn



New teachers can't afford median rent almost anyw here. Our city-by-city analysis validates a theme in teacher strikes. But that's not the full story. In sunny Miami, bilingual elementary teacher Mari Corugedo has 26 years of experience, a master's degree and a passion for helping Spanish-speaking students quickly learn English.

Her annual compensation for those skills: \$64,000, plus benefits. That

doesn't go far in this popular coastal city, w here median rent has shot up to almost \$2,000 per month, and the median mortgage is almost \$1,300 per month before taxes or insurance, according to the real estate site Zillow. "We spend a good 30% to 40% of our income on our mortgage," said Corugedo, 52. "I w ould have moved out of Miami by now if not for my husband's additional income."

Beginner teachers have an even tougher time affording Miami. Skyrocketing housing prices combined with relatively low educator salaries have made the area one of the nation's priciest cities for starting teachers. Read Article

### Global Connections: An International Model for Apprentice Support Services



Community College Daily News - Wayne Wheeler Many believe that apprenticeships can be a solution to our

nation's workforce and education challenges - from eliminating the student debt crisis and increasing student completion rates, to closing the skills gap and resolving racial and economic disparities.

Accordingly, the federal government has made expanding American apprenticeships a priority and sought the advice and collaboration of the American Association of Community Colleges (AACC) in the development and implementation of key initiatives, including AACC's participation on the President's Taskforce on the Expansion of Apprenticeships. AACC also recently signed a collaborative agreement with the U.S. Department of Labor, which included a \$20 million partnership to create 16,000 new apprenticeships over three years. <u>Read Article</u>

### Ineffective Job Training Programs

Community College Daily News - Matthew Dembicki Federal job training programs - with the exception of apprenticeships - appear to be largely ineffective, according to a new White House report.



An assessment of federal job training programs based on increases to wages and employment rates show little gain from these programs - 47 such programs across 15 different government agencies totaling nearly \$19 billion in 2019, according to the White House Council of Economic Advisers (CEA).

The CEA report says few rigorous evaluations exist to properly gauge the success of government-funded training programs.

"Many public training programs have not undergone rigorous evaluation and therefore a framew ork needs to be established for evaluating trainee success, both by incorporating randomized control trials into program design and by improving data collection and long-term tracking of participant outcomes," it says.

### Apprenticeships look promising Read Article

# Training and Organizational Development News

#### US Needs National Apprenticeship Structure IndustryWeek - Adrienne M. Selko



"America lacks a national strategy that prioritizes youth apprenticeship as an effective talent pipeline to boost the

sector's competitiveness and spread economic opportunity across the country," says Brent Parton, of New America.

A large reason for the strength of Germany's manufacturing sector can be attributed to its w ell-established and highly structured apprenticeship program. This model has been brought to the U.S. through German companies with divisions or has been adopted by American businesses. Although U.S. programs have been successful in implementing apprenticeship programs, they usually only address the needs of specific companies or industries such as manufacturing. Even with support from the U.S. Department of Labor, including an official certification process, apprenticeship opportunities remain limited.

A broader, national strategy is needed. Read Article

### A Good Leader Gives Away Leadership II



IndustryWeek - Scott Gaddis Part II of a two-part series. Read Part I. On my first day in a new, big, corporate role, my new boss taught me w hat probably is the most important lesson I ever learned in leading organizations forw ard: the inverted pyramid.

The idea of inverted pyramid leadership mostly is conceptual when you study it, even though many organizations follow its design philosophy. In this management approach, the frontline w orker is empow ered with higher decision-making authority and the freedom to act. <u>Read Article</u>

## Quality News

### Navistar to Settle Defective-Engine Suits for \$135M



. American Machinist - Staff

Navistar International agreed to settle a number of class action law suits pending in the U.S. District Court for the Northern District of Illinois, setting up a \$135-million fund to pay claims, contributing \$85 million in cash, and coming to make rebates w orth \$50 million. The commitment by the truck and engine manufacturer w ill release its affiliates from all claims and potential claims, except claims for personal injury or damage to third-party property.

At issue in the cases against Navistar is the claim that the company and certain of its representatives falsely represented the effectiveness of its now discontinued EGR ("exhaust gas recirculation") technology for treating NOx emissions - in line with the U.S. EPA's 2010 emissions standard. <u>Read Article</u>

# Boeing Ordered to Replace 737 Wing Parts Prone to Cracking



IndustryWeek - Bloomberg Manufacturer discovered issue and reported it to the FAA.

Airlines w orldw ide must inspect 312 of Boeing Co.'s 737 family of aircraft, including some of the grounded 737 Max, because they have w ing components that are prone to cracking and must be repaired w ithin 10 days, U.S. aviation regulators said Sunday.

Boeing informed the Federal Aviation Administration that so-called leading edge slat tracks may not have been properly manufactured and pose a safety risk, the agency said in an emailed statement. The parts allow the wing to expand to create more lift during takeoff and landing. <u>Read Article</u>

### Rolls Identifies Cause for Trent 1000 Blade Cracking



American Machinist - Staff

Nickel alloys and blade geometry are combining to promote cracks in some intermediate-pressure turbines (IPT) for 787 Dreamliners

A Rolls-Royce executive said the jet-engine builder has determined that sulfurization is the cause of cracking in certain sections of turbine blades for some Trent 1000 engines installed in Boeing 787 Dreamliner aircraft, a problem that Rolls has been w orking to resolve for about three years. According to a published report, Rolls civil aerospace chief customer officer Dominic Horw ood said fixing the cracking problem in the intermediate pressure (IPT) section of the affected engines is the most important issue facing the company right now .

The Trent 1000 is high-bypass gas turbofan engine developed by Rolls-Royce as one of two options for Boeing's twin-engine long-range aircraft. <u>Read Article</u>

### How Can I Engage Our Leaders to Learn (and Teach) Lean? IndustryWeek - Art Byrne

With lean, understanding w hat you did is one thing, but understanding w hyboth the rationale and w hat you expected to get from it-is the important takeaw ay.

Failing to explore this runs the risk of implementing the lean "tools" without any understanding of the overriding business strategy, or how the tools work together and what kind of results you should expect. <u>Read Article</u>

## **Cyber Secuurity and IT News**

### **Quest Breach Stirs Fraud Fears**

USA Today - Jared Weber Florian Wehrli is "99 percent sure" that someone has stolen his family's medical records and financial information.



Wehrli's wife, Noverly, was diagnosed with non-small cell lung cancer in January 2014. Since then, the family has made countless visits to their local Quest Diagnostics medical laboratory in New ton, New Jersey, for a wide

range of medical tests - including blood tests, MRI scans, CT scans and more.

On Monday, the diagnostic testing provider confirmed in a filing with securities regulators that up to 12 million patients may be affected by a recent data breach at the American Medical Collection Agency. The AMCA was also the third party responsible for a recent LabCorp data breach affecting 7.7 million customers, the testing company said Tuesday. Read Article

### California Could Become First to Limit Facial Recognition Technology; Police Aren't Happy USA Today - Marco della Cava



San Francisco supervisors approved a ban on police using facial recognition technology, making it the first city in the U.S. with such a restriction.

A routine traffic stop goes dangerously aw ry when a police officer's body camera uses its built-in facial recognition softw are to misidentify a motorist as a convicted felon.

Guns are drawn. Nerves fray. At best, law suits are launched. At worst, tragedy strikes.

That imaginary scenario is what some California law makers are trying to avoid by supporting Assembly Bill 1215, the Body Camera Accountability Act, which would ban the use of facial recognition softw are in police body cams - a national first if it passes a Senate vote this summer and is signed by Gov. Gavin New som. Read Article

# Is 5G Four Times More Power Dense-or Even More?



IndustryWeek - Pietro Scalia

The drive to achieve 5G network speeds creates an extremely challenging hardware environment from a power- and space-density perspective.

5G is poised to revolutionize connectivity, providing a programmable, intelligent connection betw een users and cloud services as well as a seamless, ubiquitous and personalized experience across different environments and devices. With one netw ork for all use cases required by the Big Data explosion, from home to enterprise environments, 5G promises to connect tens of billions of devices that are alw ays online, each with their own slice of the netw ork, dynamically established to provide a dedicated profile of priority, security, speed, and latency. Read Article

### Protect Your Personal Data From Prying Smart Devices



USA Today

Think of all the things a microphone can pick up: voices, noises, w hispers, conversations, arguments, confessions - even people alone, in a room, mumbling to themselves. Think of all the things you say in a private space, all the w eird things you do. Once those sounds have been saved, that data can be stored, edited, manipulated and shared.

Now, think of all the things a camera can see, record, save, and share with w ho know s w ho. Speaking of, if you're in a vacation rental, there's no guarantee hidden cameras are not in play.

Smart devices can w ork miracles, obeying your every command. In return, they may transmit everything about you to a programmer in a city you've never heard of. Even services that seem benevolent, like smoking-cessation and mental health apps, have been quietly sharing sensitive info about their users. <u>Read Article</u>

### 50% of Manufacturers Experienced Data Breaches in Past Year IndustryWeek - Staff



The rate of data breaches continues to rise as half of the companies, in a new survey from Sikich, reported being a victim of at least one data breach during the past 12 months.

Of the 50% of respondents who said their companies experienced data breaches, 11% said they had experienced "major" breaches. Read Article

How to Protect Your Manufacturing Assets Against the Growing Threat of Cybercrime ThomasNet - Kristin Manganello In the early days of cybercrime, cyberthieves were known



to target companies with valuable financial data or mine social media accounts for personal details. But as technology continues to evolve, so do cybercriminals, and now the manufacturing industry has started to come under attack more frequently.

Why Are Cybercriminals Targeting the Manufacturing Industry?

While the manufacturing industry was historically largely unaffected by cybercrime, there are several reasons why the industry has recently started to draw unwanted attention. Intellectual Property Read Article

## Human Resource Management News

### Supreme Court to Rule on LGBT Employment Rights



Material Handling & Logistics - David Sparkman The U.S. Supreme Court has agreed to settle the question of whether LGBT employment rights are protected by federal civil rights law after years of contradictory rulings on the issue at the appeals court level

A series of cases involving LGBT employment rights have been making their way through various federal Courts of Appeal around the country. Although most of those court findings supported the opinion that LGBT employees and applicants are protected by the law, that is not a view universally held.

But don't expect the issue to be settled by the High Court any time soon. Most legal observers believe it will render a decision no earlier than later this year, and perhaps as late as June 2020-w hich would be smack dab in the middle of the Presidential campaign season. Read Article

### Five Questions For Onboarding (That Employers Should Ask Themselves)



IndustryWeek - Jim Clifton , Jim Harter Once recruited and hired, how does an employee who just walked through your company's doors become "one of us"?

You can take a variety of approaches to onboarding new workers based on your organization's culture. Some companies focus on building social bonds, while others leave people to figure things out on their ow n. Some follow a set process for orientation, while others have a "sink or swim" approach.

The goal of onboarding should be to introduce foundational elements that employees can build on throughout their career - those that influence their performance over decades, not guarters. Read Article

## Environmental, Health & Safety News

### Study: Energy Drinks Take Toll on Heart Health

EHS Today - Stefanie Valentic



Research findings a recent study published in the Journal of the American Heart Association (AHA) confirm the short-term risk consumers take when consuming energy drinks.

Drinking 32 oz. of an energy drink in a 60-minute timeframe directly affected the heart rhythm of the study's participants, a result bolstered by previous research.

"The public should be aw are of the impact of energy drinks on their body especially if they have other underlying health conditions," said lead author Sachin A. Shah, Pharm.D., professor of pharmacy practice at University of the Pacific, Thomas J. Long School of Pharmacy and Health Sciences in Stockton, Calif. "Healthcare professionals should advise certain patient populations, for example, people with underlying congenital or acquired long QT syndrome or high blood pressure, to limit or monitor their consumption." Read Article

### The 101 of ISO 45001

conditions.

EHS Today - Christine Hogge Every year, more than 2.78 million deaths and nearly 374



million non-fatal incidents occur globally due to occupationrelated diseases or accidents. While the human cost is beyond calculation, the financial burden is enormous. The new standard developed by the International Organization of Standardization, ISO 45001, is intended to help businesses worldwide reduce this burden and create safer workplace

As a follow -up to a recent EHS Today webinar on ISO 45001 ("What is ISO 45001? And What Impact Will It Have on Your Business?"), our experts Travis W. Vance and Tom Cecich address some questions participants submitted during the webinar that couldn't be answered within the hour. Read Article

# The Gig Economy Poses New Safety Threats and Liabilities



EHS Today - David Sparkman

Gig economy workers typically work away from the physical premises of the company using their services, but that doesn't mean those companies don't bear responsibility for these workers' safety.

Gig economy workers can range from traditional independent contractors to freelancers and temporary staffing firm employees who work just a few hours a week. Some may use gig work to supplement the income they receive from a traditional job. Research shows that at least 29% rely on gig economy work as their primary source of income. Some estimates put their numbers as high as one-third of the total U.S. workforce. <u>Read Article</u>

### Safety 2019: Active Shooter Survival



EHS Today - Stefanie Valentic Six months into 2019, the United States is experiencing an average of two mass shootings per month.

Mike Bew ley, safety manager at the public works department of Austin, Texas, conveyed the importance of preparing workers for active shooting incidents to Safety 2019 attendees.

According to the Federal Bureau of Investigation (FBI), a mass shooting is defined as an incident in which four or more lives are claimed by the perpetrator. Read Article

### Court Overturns Mine Examination Rule



IndustryWeek - David Sparkman A three-judge panel of the U.S. Court of Appeals for the District of Columbia overturned a Mine Safety and Health

Administration's (MSHA) rule issued last year governing examination of mines before miners begin w ork, declaring that it w ould make w orking conditions less safe than they w ere under the rule it replaced.

The panel of judges agreed with several unions who had challenged the 2018 rule, asserting that it violated the 1977 Federal Mine Safety and Health Act, which prohibits MSHA from issuing any regulation that would reduce the protection afforded miners by an existing mandatory health or safety standard. <u>Read Article</u>

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?



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