

The Business Journal

of Tri-Cities Tennessee / Virginia

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Veteran-owned businesses

Moving from military service to the service industry

Top row (L-R): Mike Pencarina, Ken Jackson, Ed Sheffey. Bottom row (L-R): Debbie Pencarina, Jenna Tamayo.

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COVER STORY



**Veteran-Owned
Businesses**

Veterans in the region are finding success in the move from military service to the service industry.

Cover Photo by Tara Hodges, Sweet Snaps Photography.
Photo Illustration by Judd Shaw.

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Veteran Owned



Subscription
per year \$25.

The Business Journal of
Tri-Cities Tennessee/Virginia

is published monthly by
Derby Publishing, LLC
1114 Sunset Drive, Suite 2
Johnson City, TN 37604
Phone: 423.854.0140
or 423.979.1300
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Plus ca change...



The French have a saying, “Plus ca change, plus c’est la meme chose.” The more things change, the more they stay the same.

Above the barcode on the front cover of this issue it says, “Volume 30, Number 12.” We’ve been publishing *The Business Journal* for a full 30 years now. That means for 30 years, this region’s business community has supported a commercial endeavor the guiding principles

of which have been:

1) Provide business news and information of utility and interest to those who operate enterprises in Northeast Tennessee and Southwest Virginia, and

2) Promote the fact that there is a single business community in Northeast Tennessee and Southwest Virginia because the region itself is a market – in short, regionalism.

If you think regionalism is just a 2018 buzzword, a new fad or shiny object, let me quote that 1988 issue of this publication to you.

“Nary a day passes that counties and municipalities in Upper East Tennessee and Southwest Virginia don’t make headlines over turf battles of one sort or the other. Their melees are the grist of political campaigns, proposals and propaganda. That’s fine because...we are fiercely independent, and the politicians, after all, are only representing our attitudes.

“But businessmen must rise above the fray. We’re independent, yes, but stupid, no. It makes good business sense to work together...political rhetoric is one thing. Profits and losses are another.

“It boils down to a term we’re hearing more and more of in these parts: Regionalism. Let the lawmakers stand up for their jurisdictions; businessmen must fight for the region.

“After all, a job over here means a sale over there. A new factory in one town means a distribution contract in another.

“The smart managers and executives think in terms of markets.”

It’s easy to read that and think, “plus ca change, plus c’est la meme chose.” But I prefer to say, “Plus ca change, plus ca change.”

First, as the successful Aerospace Park venture to bring together funds from Bristol, Johnson City, Kingsport, Sullivan County, Washington County and the state of Tennessee show, the politicians are no longer uniformly small-ball thinkers who will cut each other’s throats for a quarter-cent sales tax advantage. When this magazine began publishing, the notion that all those

governments could cooperate on a single project could only be corroborated by one fact: they had done so in 1934 – once – to get the airport built.

So, kudos to the public sector officials who today are showing they understand this region is a single economy, and it must act as such if we are to compete with other unified regions and larger markets.

I spoke to a group of city and county mayors at the invitation of the First Tennessee Development District recently and expressed my belief that in the days and years to come, we will all, public and private sector alike, need to concentrate on working to create a more competitive region.

I told them that I understand the sense of caution some of their constituents might feel about regionalism, because I would have thought the same way about the world that Charles Lindbergh did right before World War II.

In 1940, while the British and French were fighting Hitler, but before Pearl Harbor, Lindbergh made speeches all over the country saying we should stay out of Europe’s war. Our boys didn’t need to fight somebody else’s war – didn’t need to die on somebody else’s soil. But eventually the war did come to our soil, and we were forced to fight. We were forced to stand by those who would ally with us. And with the help of God above, we won. Well, because we are in the midst of a now-nine-year economic expansion, our region hasn’t had our Pearl Harbor moment yet. Nonetheless, rural and sub-urban economies like ours are under attack. Because the US economy continues to grow, we only see it as stagnation of our local economy. But the US economy won’t grow forever. And there is not a community among us that can grow in a bad economy if we can’t grow in an historically good one. We must ally with each other, community with community, private sector with public sector, to show employers we, as a region, will outcompete anyone for their business.

The companies that we need to attract, and companies we need to keep will be asking, “If three people quit tomorrow, will your community have the workforce I need to replace them?” As any individual community, probably not. As a region, probably. We must stand together - and we need to do it before the next recession Pearl Harbors us.

In 1988, we said, “The smart managers and executives think in terms of markets.” In 2018, everyone must think in those terms. In 2018, the bottom line matters more than any line on the map.

A handwritten signature in black ink that reads "Scott L. Blum". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.



United Way of Southwest Virginia Careers Expo for Youth

As part of its efforts to educate students across Southwest Virginia on career path opportunities in the region, United Way of Southwest Virginia hosted its annual Career Expo Sept. 25-26 at the Washington County Fairgrounds in Abingdon. Around 4,600 seventh graders from 53 schools in 18 districts interacted with more than 75 employers. The expo coincided with a leadership breakfast at the Southwest Virginia Higher Education Center in which the United Way updated business and education leaders on the progress of, and plans for the IGNITE initiative (see page 22 for more).



NE Tenn. home sales keep racking up records – August sales up 15.5

Northeast Tennessee had a 15.5 percent home sales increase in August. It was the eighth straight month single-family closings were at a 10-year high.

There were 685 closings in August compared to 593 last year. The average sales price was \$175,967, up 2.2 percent from last year, according to the Northeast Tennessee Association of Realtors (NETAR).

Year-to-date single-family closings totaled 4,562 compared to 4,166 during the first eight months of last year. The average year-to-date price appreciation is 3.5 percent.

NETAR President Aaron Taylor said August's closings were the second-best single month in 10 years. May was the best month in a decade and was only six sales better than August.

"August's increase was driven by double-digit gains in Sullivan, Washington Co. TN, Carter, and Hawkins counties," Taylor said. Kingsport led the region's city markets with 37 more closings (up 63.8%) than last year.

Taylor said inventory is seeing some relief

from record lows, but it's still tight. During August the 11-county region monitored by NETAR had a 4.6-month supply of homes on the market. "That's the best we've seen since March, but some buyers continue to be frustrated at not finding what they're looking for. At the same time, there are homeowners who would like to sell but are holding off because they can't find the product they want in existing or new home inventory." New home construction has increased but new residential permits were down almost 10 percent from what they were during the first half of last year.

The average single-family home sale that closed last month was on the market for 107 days – another 10-year low. The average days on the market for townhome or condo sale was 125 days. The lowest time on market for a county last month was 63 days in Sullivan County followed by Hawkins County 71 days. Washington County, TN and Greene counties were 72 days.

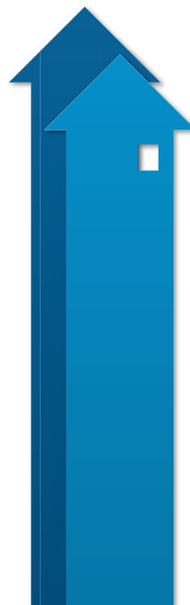
Here's a capsule look at local market trends based on the year-to-date city and county single-family resales and average prices compared to the first eight months of last year:

CITY MARKETS

- Johnson City: Sales 593, up 63. Avg. price - \$230,443, up \$6,627.
- Kingsport: Sales 562, up 95. Avg. price - \$178,561, down \$58.
- Bristol, TN: Sales 227, up 21. Avg. price - \$157,313, up \$14,069.
- Elizabethton: Sales 135, Up 6. Avg. price - \$122,722, down \$12,533.
- Greeneville: Sales 125, up 10. Avg. price - \$139,027, down \$45.
- Bristol, VA: Sales 123, down 4. Avg. price - \$123,444, up \$13,047.
- Erwin/Unicoi: Sales 109, down 11. Avg. price - \$150,667, down \$13,213.

COUNTY MARKETS

- Sullivan: Sales 1,357, up 137. Avg. price - \$171,485, up \$3,680.
- Washington, TN: Sales 1,222, up 97. Avg. price - \$218,180, up \$10,944.
- Greene: Sales 441, up 29. Avg. price - \$150,655, up \$4,953.
- Hawkins: Sales 384, up 34. Avg. price - \$144,094, up \$4,857.
- Carter: Sales 391, up 28. Avg. price - \$139,729, down \$606.
- Washington, VA: Sales 313, up 18. Avg. price - \$186,334, up \$13,161.
- Wise: Sales 136, up 21. Avg. price - \$107,951, up \$4,550.
- Johnson: Sales 94, up 28. Avg. price - \$168,374, up \$35,585.
- Scott: Sales 84, up 3. Avg. price - \$92,258, down \$11,726.
- Lee: Sales 29, Up 8. Avg. price - \$95,553, up \$23,108.



NOTE: NETAR counts city sales as those in high school zones. City sales and price data are included in the county totals.



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“When I tell people I’m a veteran, they know to expect certain things.”

Region’s veterans find opportunities in entrepreneurship

by Scott Robertson

When, in August, Google began putting “Veteran-Led” badges next to entries for businesses majority-owned by military service veterans, the tech giant acknowledged something considered conventional wisdom in this region. Veteran ownership often brings value to a business.

Part of that value, says Dan Ragan, a retired Army captain who’s been a human resources consultant since 1978, is the fact that the military teaches lessons that translate directly into the qualities of a successful business owner. “In the military, you learn that ‘mission’ is critical,” Ragan says. “I don’t care whether that’s your civilian endeavor or your military endeavor, you’re there to get the job done. But at the same time, you have to get that job done through people. You can’t just do everything yourself. You’ve got to rely on your guys to get it done.”

U.S. Army Captain Ed Sheffey, who’s close to completing his time in the service, is splitting his hours recruiting on the ETSU campus and running his own business, Rowan Tree Care. He agrees with Ragan. “When I tell people I’m a veteran, they know to expect certain things,” Sheffey says. “My customers are treated

differently than any other service provider would treat them. In the military you are taught a focus on service. It’s not about yourself. It is about the service you are providing.

“Attention to detail is ingrained in us because in the military a small mistake or a small oversight can be catastrophic,” Sheffey continues. “The same is true in tree removal. If your knot is tied wrong or your equipment is not staged properly, it can have pretty expensive consequences.”

Ken Jackson’s business, ProTint, a car window tinting company in Kingsport, recently won the KOSBE Award for Veteran Owned Business of the Year. Jackson, who provided security for the movement of nuclear weapons during his time in the Marine Corps Security Force Battalion, says Sheffey’s point about attention to detail is a guiding factor in why Jackson hires veterans when possible.

“Window tinting is a hard thing to hire for because you really have to have a knack and a good eye,” Jackson says. “It’s very, very detail oriented. Veterans, in my opinion, when they come out of the military, tend to have that attention to detail and tend



Jenna Tamayo, Appalachian Maid Service



Ed Sheffey, Rowan Tree Care



Ken Jackson, ProTint Kingsport

PHOTOS BY TARA HODGES, SWEET SNAPS PHOTOGRAPHY

to have a better work ethic. So, I definitely look favorably upon those people when they come in here looking for a job.”

Indeed, Ragan says, the qualities that help veterans succeed as entrepreneurs are qualities they recognize in each other when it comes to hiring. “Every company is looking for the same thing when you come right down to it,” Ragan says. “You want someone who will come to work every day, drug and alcohol free, do their job safely and to production standards, don’t cause trouble, and then come back again and do it tomorrow. It’s nearly impossible to find a person with that level of commitment today, so veterans have a leg up in that regard.”

And when employees don’t have desirable traits to start with, veterans often have the leadership skills to teach them. “Take discipline,” Sheffey says. “If you tell somebody you are going to be somewhere at a certain place and time, you usually arrive ten minutes early. Those are values ingrained in me and I try to coach and ingrain those skills in my crew.”

Jenna Tamayo, a former nuclear engineer in the U.S. Navy, says her time in the service gave her a level of confidence she now tries to imbue to her own employees at Appalachian Maid Services in Johnson City. “With a 66 percent failure rate (for nuclear engineers) to begin with, they tell you, ‘Look to your left and look to your right. Only one of you is going to make it. Well, as a woman, they’re both looking at you. Making it out of there and doing pretty well at it made me feel I can do anything. There’s not a doubt in my mind they helped build me up in my confidence. I always tell my employees, ‘You can do anything. Don’t ever let someone else

tell you what you can’t do.’ The navy helped me prove that to myself so I could teach others that lesson.”

For young entrepreneurs, a huge confidence boost comes from a network of other veterans willing to support them. “Referrals from fellow veterans have been a huge help,” says Sheffey.

“Part of our success has come from being a part of the King-sport Chamber of Commerce and the connections I’ve made there, as well as the Tri-Cities Military Affairs Council (TCMAC). The coaching and mentorship that I’ve gotten through both of those groups has been very helpful.

Ernie Rumsby (TCMAC president) will text me, ‘Hey, you need to call me.’ Then when I call him, he’ll tell me, ‘You need to talk



Mike and Debbie Pencarinha,
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Dan Ragan
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VETERANS,
CONTINUED

to this guy' I'll say, 'Yes sir,' and usually when I talk to the guy it turns out to be something really good.

"Miles Burdine at the Kingsport Chamber was one of my first customers," Sheffey continues. "He took a shot on me with his own property and trusted me with his residence. We did a good job for him and he's referred me to several other people."

Burdine and Rumsby are often mentioned by young veteran entrepreneurs as having helped along the way, as is Johnson

City Chamber President Gary Mabrey, also a veteran. "Wearing the uniform is a tight fraternity," Ragan says. "I get resumes from veterans all the time from Gary and Miles, and I can say this categorically: we try to take care of our own. I have never charged a veteran for our services."

Likewise, when veterans receive help, they return the favor in kind. "Around Veterans Day and Memorial Day we like to do something for a veteran family or a veteran facility," says Debbie Pencarinha, who along with her husband Mike, an Army veteran (First of the 75th, artillery and 101st Airborne) owns and operates the Fish Window Cleaning franchise in the Tri-Cities. "So we cleaned up the Elizabethton VFW Post and we have offered a cleaning for a veteran's home. That's all volunteer work on the part of the employees."

The only hitch is that veterans often decline the help, says Pencarinha. "You have a hard time getting someone to admit they need it. We've had to pull teeth to get that to happen. They're a proud bunch, but we do want to honor our veterans and the people who are serving."

The strongest support network, however, is the region as a marketplace for veterans, Ragan says. "This is a historically strong pro-military area. Tennessee's the Volunteer State for God's sake. That continues to this very day. The general public not only holds veterans in high esteem, they continue to create opportunities for veterans in the market." ■

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Nuclear Fuel Services facility in Erwin, Tenn. Inset: John A. Stewart PHOTOS COURTESY NFS

by Scott Robertson

Bookended by major announcements, summer 2018 was an eventful time for Erwin, Tenn.'s Nuclear Fuel Services (NFS). On July 1, NFS' parent company BWXT Technologies, Inc., announced John A. Stewart would succeed Joel Duling as NFS president. BWXT had announced in May that Duling would replace another former NFS president, Joe Henry, as president of the BWXT Nuclear Operations Group. On Sept. 27, BWXT announced NFS had been awarded a contract valued at \$505 million for the downblending of 20.2 metric tons of highly enriched uranium (HEU) to produce low enriched uranium (LEU) suitable for use as commercial nuclear reactor fuel and for national defense programs.

Stewart most recently was president and general manager of BWSR, LLC, a BWXT joint venture performing decommissioning and demolition and supporting nuclear operations at Naval Nuclear Laboratory sites in Idaho, Pennsylvania and New York. Prior to managing BWSR, he was chief of nuclear safety operations at the Y-12 National Security Complex in Oak Ridge.

Stewart also spent 25 years in the U.S. Navy, serving as a staff engineer at the Naval Reactors headquarters in Washington, D.C. and as commanding officer of the Ohio-class fleet ballistic missile submarine USS Tennessee before being promoted to deputy commander of Submarine Squadron Sixteen/Twenty and commanding officer of the Trident Refit Facility at Kings Bay, Georgia.

"Our contract with the US Navy is to produce the fuel for their submarines and aircraft carriers," Stewart said. "This is the beginning of the whole process, which is kind of neat for me, because in a way it's going back home. I spent most of my adult life operating

submarine reactor plants powered by the fuel that's made here.

The downblending contract is separate from the Navy work, Stewart said. "Downblending is when we take excess uranium from Y-12 and we downblend it to be used in commercial facilities."

The new contract means new opportunities for the workforce, Stewart said. "We are hiring across all the spectrums of disciplines from our guard force to our maintenance personnel to our prep labor to our engineers to department managers."

Counting contract labor, the Erwin facility clocks in around 1,000 people every day. "Right now we're looking to hire between 100 and 150 people," Stewart said, adding that the number could rise between new hires and replacement of retirees.

The aging workforce, Stewart said, "is a concern for us. Quite frankly, the nuclear industry is probably one of the hardest hit industries in this arena. Essentially, we dropped a decade of going out and hiring as we across-the-board downsized. We had excess capacity, so we weren't off recruiting the brightest and smartest people. We weren't interacting with higher education. We weren't off with apprenticeship programs because we didn't need to. So, we skipped a generation, quite frankly. Now, we're off to go try to catch up, and it ain't easy. The number of schools that offer the dedicated technical training we require to do our business has dwindled, so it's part of my everyday thinking."

To that end, Stewart reaffirmed NFS' commitment to donate \$100,000 to the Milligan College engineering school. "People praise us for our generosity, but it's not generosity," Stewart said. "It's business. We're developing feed stock for our own engineers. If I recruit five engineers locally, I've recouped that cost." ■

ETSU expands space for veterans, military-affiliated students

A newly named, renovated and relocated space for military-affiliated students at East Tennessee State University is now open. A dedication ceremony held Sept. 26 by the Office of Veterans Affairs introduced the community to the new Military-Affiliated Student Resource Center (MARC). Known as the Veterans Lounge since its opening in 2013, the renovated MARC is more than three times larger and serves close to 700 military-affiliated students.

“The new title more adequately represents what it is. The MARC is a sign of ETSU’s commitment to our military-affiliated population,” said Dr. Bert Bach, provost and vice president for Academic Affairs.

Enrollment of military-affiliated students who served in the military or are members of military service families has increased 28 percent at ETSU in the last two years. The Office of Veterans Affairs is over halfway to its goal to have 1,000 military-affiliated students by 2026.

“This space is a sign of continuing growth and the recognition of that growth,” said Col. (Ret.) Tony Banchs, director of the Office of Veterans Affairs. “We continue to recruit students from surrounding military bases and throughout the region.”

Commissioner Many-Bears Grinder from the Tennessee Department of Veterans Affairs congratulated ETSU for its outreach efforts beyond recruitment, adding, “We know that enrolling in college is not enough. We want to make sure they succeed all the way through



From the left are, Dr. Bert C. Bach, ETSU Provost and VP for Academic Affairs, Bill Darden from Congressman Phil Roe’s office, Tennessee Dept. of Veterans Service Commissioner Many-Bears Grinder, Antonio Banchs, Director Office of Veterans Affairs and Casey Suthers, executive aid. Photo by Bill Derby, publisher

to graduation so they can go on and continue to serve our country, our state and our communities in new and different ways.”

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Representatives of the Tri-Cities Airport Authority; the Cities of Bristol, Kingsport and Johnson City; and Sullivan County and Washington County; as well as State of Tennessee officials, celebrate the next phase of development for Aerospace Park.
 PHOTO BY RANDY GENTRY, FRESH AIR PHOTOGRAPHICS, COURTESY TRI-CITIES AIRPORT

Ground broken at Aerospace Park

Community leaders were in attendance and construction vehicles were on display Oct. 4 at Tri-Cities Airport, setting the stage for the next phase of Aerospace Park site development.

Site construction in Aerospace Park is underway and is scheduled to be completed in late fall 2020. Once this phase of construction is complete, Aerospace Park will have a total of 105 acres ready for immediate development.

The park already offers 32 acres ready for development. TCAA staff continue to promote the current availability of the site to target industries. The completion of each phase of Aerospace Park development has offered additional promotional benefits and recognition for the site.

“Aerospace Park would not be in this stage of development if it were not for the support of our funding partners,” said TCAA Chairman Dr. Jon Smith. “It has been an honor to be a part of the cities and counties coming together on this significant, regional economic development project.”

TCAA Executive Director Patrick Wilson added his appreciation to the Aerospace Park funding partners. “The support from our community partners has been very important as we sought additional funding to complete the site,” said Wilson. “The Airport Authority has received grant funding from the Tennessee Department of Transportation, the Tennessee Department of Economic and Community Development, and TVA. We appreciate each of these funding partners as we continue to move Aerospace Park forward.”

Sullivan County Mayor Richard Venable hailed the project as a major step forward in regional cooperation. “Not often in life do

you get a chance to redefine yourself, and as a region and a state do you get a chance to redefine yourself and say, ‘this is who we want to be when we grow up.’ This is one of those signature moments in our history here in Northeast Tennessee.”

Tennessee State Senator Jon Lundberg thanked Wilson for his work in lobbying for the funding, while acknowledging Wilson’s eminent departure to become president of McGhee Tyson Airport in Knoxville. “He has been the person who has coordinated across the board, so Patrick, thanks to you.”

David Jones, airport operations director, will be acting director during the search for Wilson’s permanent replacement.

The TCAA will be competing for approximately \$1.7 million in grant funding for the final phase. The final phase of site construction will include grading completion of 17 acres and the addition of utilities and access roads. Once the total site is complete, TCAA will seek certification of the 122-acre site through the Tennessee Department of Economic and Community Development’s Select Tennessee Site program.

Site completion and certification will bolster Aerospace Park marketing efforts, according to Mark Canty, TCAA Director of Trade and Business Development. “Expanding the footprint of the current certified acreage of Aerospace Park will allow us to more effectively promote the site, compete for large projects, and increase our ability to bring quality jobs to Northeast Tennessee,” Canty said.

The TCAA’s target industries for Aerospace Park include maintenance, repair and overhaul (MRO) operations, completion and delivery centers, passenger to freighter conversion centers, and manufacturers. **B**

JCDA board votes to purchase John Sevier Building

by Dave Ongie

When the Hotel John Sevier opened its doors back in August of 1924, the building quickly became the hub of a thriving downtown. It served as a beacon of culture and the focal point of social and business activities in Johnson City.

City leaders are hopeful the restoration of the John Sevier Building to its former glory can help spur on the renaissance of the downtown district. To that end, the Johnson City Development Authority Board of Directors voted in September to enter into a contract to purchase the John Sevier Building from the East Tennessee Limited Partnership for \$4.1 million.

While JCDA board president Robert Williams was quick to stress that the deal is not yet done, he is confident an agreement will be reached.

“Today we agreed to make a formal offer,” Williams said. “We have been talking with the sellers, and I think we’re pretty close to having a final agreement.”

The redevelopment of the John Sevier Building will not happen overnight. Williams said the first priority of the JCDA will be to ensure the current residents of the building are successfully placed in affordable housing that is clean and safe. Upon the finalization of the sale, the JCDA will work with the city, HUD and local developers to make sure the relocation process is a win-win for all involved.

“The plan is this,” Williams said. “We would purchase the building, and really for the next two or three years, the tenants will remain there. We’re going to do some necessary upgrades that need to be done, and then we’re going to work with some developers from multiple sites that would either be new or repurposed facilities to relocate the current tenants. That process is going to take some time.”

Once that process is completed, the plan is for private investors to present proposals to transform the John Sevier Building into a mixed-use facility that will help drive further investment and commerce to the downtown district. Williams said the JCDA has the full backing of Johnson City, and city manager Pete Peterson’s reaction after the board’s vote on Friday morning supported that statement.

“This is huge,” Peterson said. “This is really a huge step in what Johnson City will be going forward.”

Peterson noted that the city has done a lot to restore a down-



Robert Williams, president of the Johnson City Development Authority Board of Directors, announced the board had voted to enter into a contract to purchase the John Sevier Building, which can be seen over Williams’ right shoulder. PHOTO BY DAVE ONGIE

town that had fallen into a state of disrepair in the years after the retail sector relocated to North Roan Street. The projects at King Commons and Founders Park as well as redesigned streetscapes illustrate the city’s desire to create a more welcoming climate for private investment downtown.

But Peterson said “people generators” – such as hotels, high-end apartments, regional banking centers or courthouses – are hallmarks of most successful downtown revitalization projects, and those aren’t easy to come by.

“A lot of the very successful redevelopments of downtown areas have centered around a project very much like the John Sevier Building, where you can go in and do a variety of uses, whether it’s business, residential, retail or office,” Peterson said. “I see this as another step in the rebirth of the vital downtown corridor of Johnson City.”

Williams seemed to be on the same page as Peterson. When it comes time to hear presentations from private investors, Williams said he’s hoping high-end condos and apartments, restaurants, retail space and perhaps a boutique hotel or a coffee shop become part of the finished project.

Time will tell what the redevelopment project ultimately entails, but Peterson is confident a refurbished John Sevier Building can once again draw people to a prosperous downtown.

“I think this is a great opportunity to take that building back to where it started, to where it really is a significant piece of the business and cultural interactions of the community,” Peterson said. **BJ**

RCAM apprenticeship program scaling up

by Scott Robertson

The Northeast State Community College Regional Center for Advanced Manufacturing (RCAM) is quickly finding more takers for its apprenticeship program. The program combines on-the-job training at the facilities of a partnering employer along with classroom-based related technical instruction at the RCAM in downtown Kingsport.

The RCAM is offering apprenticeship programs for mechatronics technicians. The center has also added a path for an industrial maintenance associate. “In our current programs, we have partnered with Silgan Closures, Primester, Fiber Innovation Technologies (FIT), and Snap-on with employees enrolled in Mechatronics,” says Heath McMillan, RCAM director.

The program creates opportunities for all involved, says Jeff McCord, vice president for Economic and Workforce Development at Northeast State. “(The companies) get a training program that allows their employees to progress along a line to gain higher skill levels.

“The employee gets an investment in their skill set, a progressive wage rate as they progress, and at the end, they graduate, if you will, into having a journeyman card from the Department of Labor in that particular occupation,” McCord says. “That card has been the most widely-recognized industry credential since before credentials were cool.”

Both the employer and the apprentice get the benefit of having a higher education institution manage the process for them. “We’re providing structure both for the company and for the individual. Also, there’s accountability in it because they have to report back those hours in order to get credit for that on-the-job learning.”

In the past, fear of bureaucratic red tape has kept some employers from considering offering apprenticeships, McMillan says. “It’s expensive, and for companies, it’s not easy because apprenticeships can be hard to manage. That’s what we bring to those smaller companies: an element to manage the on-the-job training and the job-related

education as well.

“It’s hard for a smaller company to build all that infrastructure just for a few apprentices,” McCord says. “Our value is bringing that scale to help implement that very good learning model.”

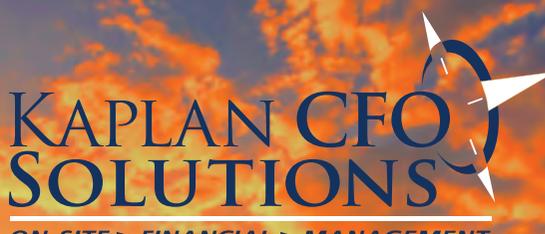
Now the challenge is to scale up the program itself. “We have some things in the pipeline that are really going to get

us there,” McCord says. “We’re hard after it, but we don’t want to do it at a pace at

which we lose quality. What we do next is all based on demand.” **BJ**



Dylan Smith (left) signs his apprenticeship agreement with Snap-On Tools as Northeast State President James King looks on.



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Miyake celebrates opening of Surgoinsville plant

\$13.7 million investment to create 60 jobs in Hawkins County

by Scott Robertson

Miyake Forging North America Corporation held the grand opening of its Surgoinsville, Tenn., plant in the Phipps Bend Industrial Park, Sept. 7. Corporate executives including Chairman Kazuhito Fukui and President Akitoshi Fujikawa expressed excitement, while dignitaries from local governments, chambers of commerce and economic development organizations pledged to do whatever they could to ensure Miyake's success. Industry partners including JTEKT, which operates a plant in nearby Washington County, also toured the facility.

Miyake, a Japan-based bearing and parts company announced last June it would build a 45,000-square-foot plant in Phipps Bend Industrial Park, investing \$13.7 million and creating 60 new jobs in Surgoinsville. The facility uses hot and cold forging processes to manufacture automotive bearing parts that facilitate movement in machines, most notably automobiles. Among those are ball bearings, transmission and clutch bearings, hub bearings, tension bearings, taper and needle bearings. The company also manufactures parts for automotive steering and brake assemblies, as well as CVT and constant-velocity joints. In addition, parts are manufactured for



Miyake Quality Assurance Manager Michael Fields guides JTEKT executives on a tour of the new Hawkins County, Tenn., facility.
PHOTO BY SCOTT ROBERTSON

motorcycles, piping and shafts.

Some Hawkins County employees are already working at the plant, while others are in Japan receiving training. 

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BrightRidge begins rollout of broadband products

Fiber and wireless offerings in the offing

by Dave Ongie and Scott Robertson



BrightRidge CEO Jeff Dykes and Chair BJ King. FILE PHOTO

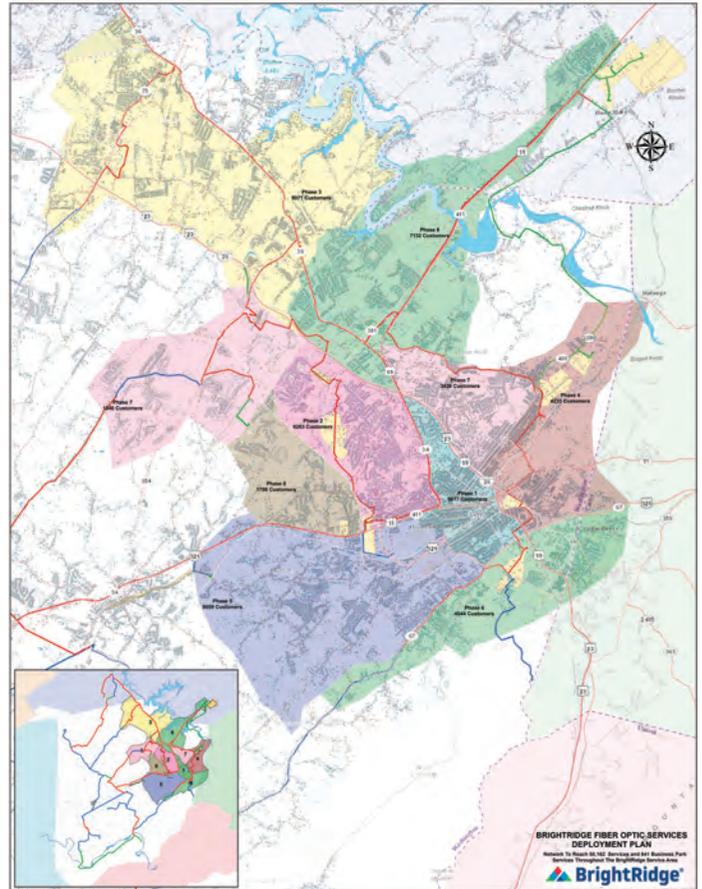
BrightRidge, a power supplier serving Washington, Carter, Sullivan and Greene Counties has cleared the final regulatory hurdle and announced its plans to offer broadband services to 61,000 customers in Johnson City. In the long run, says CEO Jeff Dykes, the move will not only represent the provision of a new service line, but also easing of pressure on electric rates.

“This is a journey that began long before my arrival here at BrightRidge,” CEO Jeff Dykes said. “Several different boards have considered this step and we have collectively built a conservative business plan to establish a broadband division deploying both fiber to the premise and wireless. Our hybrid approach brings high-speed internet to rural areas as well as urban, offering true marketplace competition while diversifying electric division revenue beyond electric rates alone.”

Broadband will reduce electric rate pressure as new electric division revenue is generated by broadband interest payments, facilities leases and shared personnel, Dykes says. By FY 2030, the broadband division will generate an estimated \$41 million in revenue for the electric division.

“We know our biggest challenge is managing expectations, folks wanting the service quicker than we can provide it,” Dykes said. “But an eight-year phased approach is the right way to go. This allows the new Broadband Division to generate some of its own capital. It allows the Board to carefully monitor implementation. And it allows us to adapt evolving technology, as we have already done by adopting a cellular LTE-type technology to deliver our wireless service.”

Fiber customers can expect speeds up to 10 Gbps. Wireless customers can expect speeds up to 75 Mbps. “We anticipate offering our very first customers service by the end of the year on the wireless side,” Dykes said. “Fiber customers should start in



The graphic above shows how BrightRidge has divided the rollout of its fiber optic voice, video and high-speed Internet products into multiple phases, with each different colored area of the map to receive service sequentially. Downtown Johnson City will receive services in phase one. Areas to receive fixed wireless service but not fiber services are not indicated. GRAPHIC COURTESY BRIGHTRIDGE

noticeable volume early next year. We do ask for patience on the part of our customers as it will take time to implement service.”

The reasons for slow-rolling the rollout are two-fold. First, BrightRidge is giving itself the opportunity to assess and react to changes in technology between each phase of the rollout. The second is to ensure profitability for the broadband division. Should economic changes render the rollout unprofitable, the utility can pause or stop expanding the service offering altogether.

If all goes according to plan, at the end of 8 years, coverage will be available to 75 percent of the BrightRidge service population, including customers living in Johnson City, Jonesborough, Washington County, Colonial Heights, Piney Flats, and western Carter County.

Currently, only five cities in the U.S. have Internet speeds comparable to the service BrightRidge promises its fiber customers. **BJ**

IdeAcademy aims to “fuel insights; drive transformation”



Dr. Amy Cuddy
PHOTO BY SCOTT ROBERTSON

New York Times best-selling author Dr. Amy Cuddy, encouraged more than 500 attendees to be their boldest selves at the 2018 IDEAcademy event held in Kingsport Sept. 19. Cuddy discussed the impact nonverbal behavior can have on a person’s own thoughts and performance. She shared how individuals can be more present, confident and satisfied in their professional and personal lives by tweaking their body language.

The free leadership development event endowed by Eastman in partnership with East Tennessee State University’s College of Business and Technology also featured Dr. Gregory Aloia, East Tennessee State University; Jos de Wit, Eastman; Steve Forbes, ETSU Basketball Coach; Natalie Kuldell, MIT/BioBuilder; Annie Malcolm, ETSU Roan Scholar; Tim McAfee, Extreme Sports Enthusiast; Allison Myers, StoryCenter; Greg Porter, PowerSchool; Austin Ramsey, ETSU Roan Scholar; Kiran Sirah, International Storytelling Center; and Jill Zande, Marine Advanced Technology Education (MATE).

“We’re thrilled today to bring in a wide array of different speakers with a common theme that the power is really within people, that there are no great limiting steps except those things we put on ourselves and that while everyone

has hopes and dreams, those who are most successful are those who find a way to act on those,” said David A. Golden, Eastman senior vice president, chief legal & sustainability officer, and corporate secretary. ■

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Travis Staton addresses the United Way leaders' breakfast crowd at the Southwest Virginia Higher Education Center.
PHOTO COURTESY UNITED WAY

United Way of Southwest Virginia enhances IGNITE

A year ago, the United Way of Southwest Virginia, which provides cradle-to-career workforce readiness programs to 15 counties and three cities in the region, introduced to area leaders the IGNITE initiative. Going beyond the traditional boundaries of what a United Way does, the United Way of Southwest Virginia created the initiative to connect educators and students with business and industry through career development software, career guidance, soft skills training, a careers expo (see page 8), and educators in industry events. The initiative reached almost 30,000 students.

On Sept. 26, the United Way updated business, government and education leaders on IGNITE's progress and outlined its plans to address further challenges. Flanked by Tony Keck of Ballad Health, Steve Smith of Food City, Virginia Workforce Secretary Megan Healy and Scott Robertson of *The Business Journal of Tri-Cities TN/VA*, Travis Staton, United Way of Southwest Virginia president and CEO, spoke to a crowd of around 200 community leaders.

"Over the next decade, more than 75 percent of jobs will require skills and credentials above and beyond a high school diploma," Staton said. "Earlier this year, I learned that school systems have been selecting from a list of more than 600 credentials, and although more than 9,600 credentials were earned by students last year, they often did not align with the needs of local employers. "This information leads us to ask, did the employers and schools ever sit down together to discuss these credentials and which

ones are most valuable to the employers?" Staton said. "So, United Way is currently conducting a credential study with all 38 high schools. This study will help align schools coursework, credentialing, and training based on local employer demand." United Way will also help address the need for STEM education, Staton said, by bringing businesspeople into the classroom in the coming year. "Our students will now learn first-hand from local role models in the STEM industry, making Science, Technology, Engineering, and Math topics more exciting, giving our teachers the additional support they need."

Finally, Staton said, the drying-up of traditional summer work opportunities for young people has created, "a vicious cycle when it comes to work experience: employers won't hire them without experience but, youth can't get that experience unless employers hire them."

"So today," Staton said, "United Way is launching efforts to build upon existing school resources to develop an internship component of IGNITE, connecting student's learning to on-the-job experience. These internships will be related to the students' area of interest and will allow them to gain work experience and begin to develop skills and competencies to be successful in the workplace."

This year, the United Way will establish 20 different internship sites and provide 40 youth with internships, Staton said. Those numbers will double in the second year.

Stanton concluded, "As the Annie E. Casey Foundation notes, 'in the end, work itself is the strongest program.'" **BJ**

Downtown Kingsport Association hopes chill in the air warms wine lovers' hearts

by Dave Ongie

Change will be in the air when the Downtown Kingsport Association presents its largest fundraiser of the year on Oct. 13.

Traditionally held in August, the fourth annual Kingsport Wine and Brew Festival has been moved to the fall in hopes of cooler weather. The event will run from 3 p.m. to 7 p.m. in the parking lot of Kingsport's Academic Village. And like a fine wine, Downtown Kingsport executive director Melissa Sanders hopes giving the festival a chance to breathe following a busy summer will ultimately provide a richer experience for attendees.

"We had three of our biggest events during a six-week time-frame," Sanders said. "We couldn't put as much as we wanted to into the festival. So to be able to spread those events out, we were able to not rush so much into the wine festival."

While there is always a concern as to whether an event will get lost in the shuffle after a drastic move down the calendar, event co-chair Sue Attebery said the pros of changing the date far outweighed the cons.

"We just think it's going to be so much fun in the fall," Attebery said. "It will be more crisp, the wine is going to taste so much better and people are going to be much more comfortable outside."

Those who find their way to the festival will be greeted with a wide assortment of options. In the past, the wine festival has featured choices primarily from Tennessee wineries. But this year, Attebery said attendees will have the world at their fingertips thanks to primary sponsor B&B Package Store.

"He's getting people from all over the world," Attebery said. "Their wines are coming from Australia, Argentina, Spanish wines, Israeli wine – it's going to be something unique that you wouldn't normally be able to get here."

Thus, the "Around the World in 80 Sips" theme is apt, and the choices won't end with wine. Several local breweries will also take part in the event, a nod to the burgeoning craft brew offerings being produced in our area.

Sanders said the ultimate goal of the Downtown Kingsport Association isn't to simply put on large events – it is to draw attention to Downtown Kingsport. With so many breweries locating in the Model City, showcasing the businesses was an easy decision that will also help promote the region as a whole.

"The beer part came from wanting to be inclusive with our local breweries, because we have several breweries in downtown Kingsport and also in Bristol and Johnson City that are participating with us," Attebery said. "It was also intended to reach out to the region."

Attendees will be greeted with several different ways to enjoy the event. A Tourist Ticket - \$40 when purchased early and \$45 the week of the event – will gain you access to the wine and brew areas and the concert area as well as food trucks and vendors.



Melissa Sanders (standing) and Sue Attebery
PHOTO COURTESY DOWNTOWN KINGSPORT ASSOCIATION

This ticket also comes with a souvenir tasting glass and tote.

New this year is a VIP World Traveler ticket - \$60 early and \$65 the week of the event. In addition to everything included with a Tourist Ticket, VIPs will have access to exclusive wines, bourbon, tequila and moonshine as well as Hors d'oeuvres, VIP parking and VIP seating and restrooms.

Those who wish to attend the event without participating in the tastings can do so with a \$15 Weekender ticket. This will include access to the food trucks and vendors as well as the live entertainment, which includes Brad Blackwell and Rusty Clark.

As Sanders reflects on the growth of the event, she is most proud of the way the Wine and Brew Festival and other events have brought Downtown Kingsport together.

"Seeing everyone collaborate on a large project like this, there is so much that goes on behind the scenes, and it really does take a village to make it happen," she said.

For more information on the festival, visit www.kingsportwineandbrew.com. 

Crown Laboratories acquires Bellus Medical

Johnson City, Tenn., and Hildred Capital Partners LLC portfolio company, last month announced it has acquired Bellus Medical, a leader in medical aesthetics treatments dedicated to delivering innovative repair and restoration products to aesthetic practices around the world.

Bellus's non-invasive products give it a unique position in aesthetics, providing a range of products that draw first-time consumers to leading physician-directed practices globally. Most notable among its products is the SkinPen – a medical grade microneedling device used exclusively by healthcare professionals to improve the appearance of facial acne scars – the first microneedling device in the industry to be granted clearance and marketing authorization by the U.S. Food and Drug Administration (FDA) for this indication. Bellus's full line of innovative products and devices includes:

- SkinPen: the first ever FDA-cleared microneedling device for the treatment of acne scarring
- Skinfuse: post-microneedling protocol
- Allumera: light-activated cream
- ProGen™ / RegenLab: platelet-rich plasma systems

Bellus Medical will become the new Aesthetics Division of Crown Laboratories and be renamed Bellus Aesthetics. Bellus will continue to be based in Dallas, Texas and operate as a wholly-owned subsidiary of Crown Laboratories. Bellus CEO Joe Proctor will become President of Crown's Aesthetics Division and join the Crown Board of Directors.

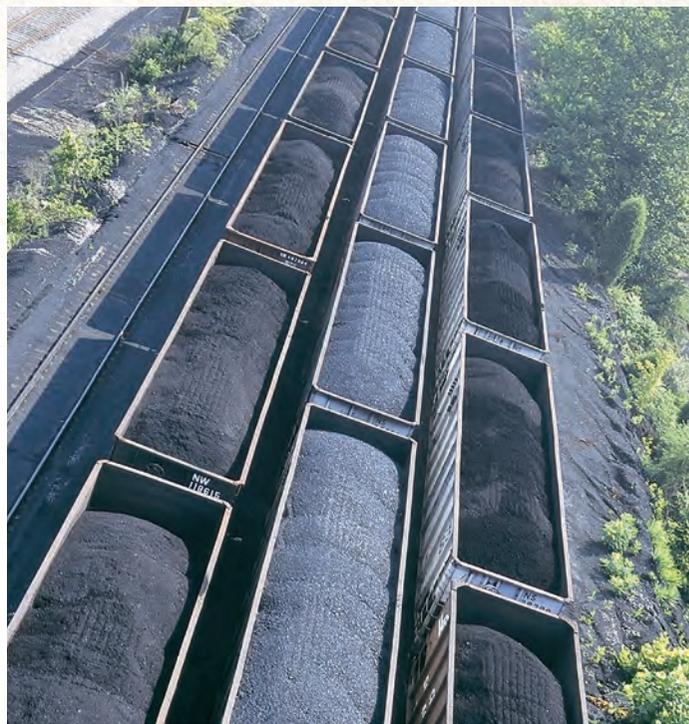
"Partnering with Bellus is a truly exciting and significant first step in building our Aesthetics Division," said Jeff Bedard, Crown Laboratories President and CEO. "Bellus has assembled a truly impressive team with an enviable track record of innovation in aesthetics, exemplified by the SkinPen, the first ever FDA-cleared microneedling device for acne scarring. We believe there is a tremendous opportunity for us in aesthetics, and with Bellus as the cornerstone of our new division, we expect to expand our portfolio meaningfully in the years ahead."

"We are thrilled to have found such a compelling opportunity with a partner that shares our vision and approach to growing the business and improving patient outcomes," said Joe Proctor, Bellus Medical CEO. "The Crown Labs organization is culturally compatible and brings us the additional resources we need to expand our infrastructure, support future growth, and better serve our valued network of providers. This transaction represents a unique opportunity to build Bellus into an elite aesthetics company and we look forward to joining with our new colleagues and to building the Crown aesthetics franchise."

"On behalf of Hildred, I am delighted to work with Crown on launching its new Aesthetics Division and to welcome Joe and his colleagues to the team," said David Solomon, Hildred Partner and Chairman of the Board for Crown Laboratories. "With its unique market position and portfolio, led by the first ever recognized Class II microneedling device, Bellus represents an exciting opportunity for Crown, complements its current skincare offering and expands its potential to grow and drive future consolidation. We will continue to look for distinct and attractive opportunities to build on Crown's consumer healthcare

and prescription product lines – and now its aesthetic product line – with the launch of this new division."

Alpha, Contura merger still on, but amended



Contura Energy, Inc., along with ANR, Inc. and Alpha Natural Resources Holdings, Inc. (together, "Alpha"), recently announced that the companies have entered into an amended and restated merger agreement, providing an increase in merger consideration to Alpha stockholders and the payment of a special dividend by Alpha. The transaction, the amended terms of which have been unanimously approved by the boards of directors of all parties, is expected to close in the fourth quarter of 2018, subject to Alpha stockholder approval and the satisfaction of other customary conditions.

Under the terms of the amended and restated agreement, Alpha stockholders will receive 0.4417 Contura common shares for each ANR, Inc. Class C-1 share and each share of common stock of Alpha Natural Resources Holdings, Inc. they own, representing approximately 48.5 percent ownership in the merged entity. Prior to the closing of the transaction, Alpha stockholders will also receive a special cash dividend in an amount equal to \$2.725 for each Class C-1 share and each share of common stock of Alpha Natural Resources Holdings, Inc. they own.

Stockholders of Alpha, who collectively hold approximately 38 percent of the shares of common stock of Alpha Natural Resources Holdings, Inc. and approximately 35 percent of the shares of ANR, Inc. Class C-1 common stock (the "Alpha Stockholders"), have entered into voting and support agreements, pursuant to which such stockholders have agreed to vote their shares in favor of the transaction, subject to the terms and conditions of the voting and support agreements. **BJ**

ON THE MOVE

EDUCATION

King University has named **Glenn Sanders, Ph.D.**, as dean of the College of Arts and Sciences. Since 1988, Sanders has taught in the history department at Oklahoma Baptist University (OBU) in Shawnee, Oklahoma, where he was named professor of history in 2002. He has served as chair of the Department of Anthropology, History, and Political Science since 1999, and chair of the Division of Behavioral and Social Sciences since 2004. While at OBU, he received the Distinguished Teaching Award for 2012-2013 and the Meritorious Service Award for 2007-2008. He has published and presented widely, particularly on topics of faith and vocation, serves as treasurer for the Conference on Faith and History, and has studied abroad extensively, including as a Fulbright Scholar.

King University has also named **Mark Pate, Ph.D.**, as dean of the School of Business, Economics, and Technology. In addition to serving as a King faculty member since 2007 — where he also



Glenn Sanders



Mark Pate

presided as chair of the Department of Finance, Economics, and Law for several years — Pate brings a two-decade career in the oil and natural gas industry to his new role. At Ashland Exploration, Inc., in Houston, Texas, Pate managed international operations planning, economics, and administration, and served as director of acquisitions and director of business development. He also served as CFO for Baker Hughes Solutions in Houston, and as president and CEO of a privately held oil and gas company headquartered in Northeast Tennessee.

Tusculum University has selected three experienced professionals as directors to lead marketing, communications and student success initiatives.

The university recently promoted **Laralee Harkleroad** to marketing director and **Chuck Sutton** to director of student success. In addition, **Jim Wozniak**, who has served as a reporter and media relations professional in Northeast Tennessee, was named communications director.



Laralee Harkleroad



Chuck Sutton

SEE DEPARTMENTS, 26



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DEPARTMENTS, CONTINUED

Harkleroad served as associate marketing director for Tusculum since 2014. In her new role, she will be responsible for developing integrated marketing plans, strategies and campaigns; overseeing the university's brand identity; and assisting with student retention and engagement activities. She will continue preparing promotional and recruitment materials.



Jim Wozniak

She has a bachelor's degree in business administration, with a concentration in legal studies, from East Tennessee State University and a master's degree in business administration, with a specialization in human resources, from King University. She is pursuing a doctorate in leadership and learning in organizations through Vanderbilt University's Peabody College.

Sutton has served the Tusculum community since 2010, most recently as multicultural retention specialist in the student support services program. In his new position, he will oversee and manage student housing assignments and will serve as the point of contact for principal behavior education in conduct matters. He will also develop student programming opportunities, with particular emphasis on intramural sports.

He holds a bachelor's degree in education from ETSU and is seeking a master's degree in talent development from Tusculum. He also volunteers with Tusculum's football program and facilitates the Pioneer Peers mentoring program.

Wozniak joined the Tusculum family in September after eight years with Wellmont Health System, where he served most recently as media relations director and helped communicate the organization's merger with Mountain States Health Alliance. As communications director, he will lead Tusculum's media relations efforts, be responsible for internal and external communications and lead public affairs, publications and special events using an integrated approach to information dissemination. He has a bachelor's degree in journalism from Northern Illinois University. In his spare time, he serves as president of the Board of Trustees at Rocky Mount State Historic Site.

NOT-FOR-PROFIT

Following a nationwide search process, **Richard "Rick" Matthews** has been named as the new chief executive officer (CEO) of the YMCA of Bristol. Matthews succeeds Chris Ayers, who will retire as CEO of the organization at the end of September. A native of Philadelphia, Pa., with nearly two decades of Y-related experience, Matthews



Richard Matthews

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will guide the organization's long-range plan of transitioning to a higher level of membership service, while overseeing program development, staff training and ongoing capital improvements.

"Rick brings a diverse skillset and extensive leadership experience to the YMCA of Bristol, along with a passion for service and commitment to the community," says Dwight Owens, chief volunteer officer for the Bristol Y. "He is full of enthusiasm and has a proven track record of success throughout his 19 years of service with the Y."

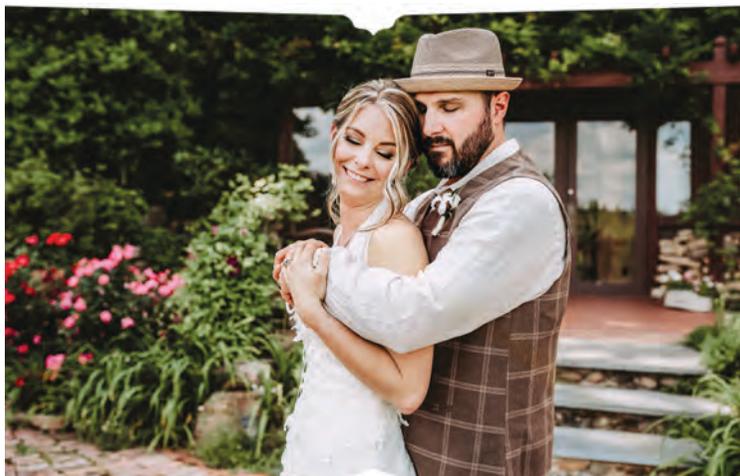
SALES AND MARKETING

Brian Ritz is the new national sales director for Model City Roofing. Operating out of the new Tri-Cities office, the former NETWORKS project manager will be responsible for growth of the company in emerging markets across the US. MCR currently operates in several markets in Florida, including Tampa/St Pete and Orlando. MCR and NFR President Chris Canipe is a Tri-Cities native who paid tribute to his hometown by naming his company Model City Roofing. The company plans to be operational in the Tri-Cities market beginning in October of 2018 with plans to expand into Knoxville, coastal North Carolina, and Atlanta, Georgia by 1st quarter of 2019.



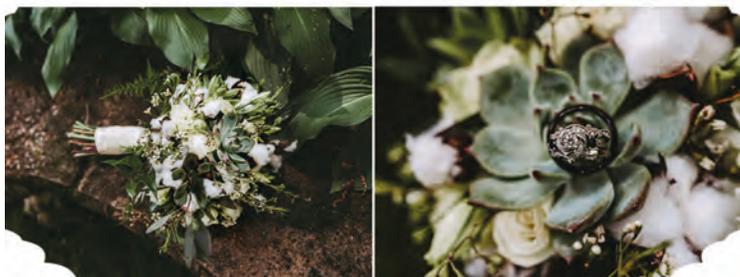
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AWARDS & ACHIEVEMENTS

Johnson City named Top Adventure Town

Johnson City, Tenn., has been named the winner of Top Adventure Town (mid-size) in Blue Ridge Outdoors magazine.

More than 50,000 votes were cast in the 8th Annual Top Adventure Towns contest over a six week period. The Blue Ridge Outdoors team chose Johnson City as one of 55 adventure hubs across the Southeast and Mid-Atlantic to participate in the contest. The contenders spanned small towns to large cities. Readers, followers and residents voted for the Top Adventure Town narrowing it down to winners in three categories – small, medium and large destinations. Johnson City won Top Adventure Town in the medium-sized town category. “We sometimes take for granted all the outdoor opportunities we have right in our backyard,” said Chamber of Commerce Chairman Andy Dietrich, “it’s nice to see our region recognized on this level for all our assets.”

T. C. Lewis & Co. ranks No. 128 on 2018 Inc. 5000

Inc. magazine recently revealed that T. C. Lewis & Co. ranked No. 128 on its 37th annual Inc. 5000, the most prestigious ranking of the nation’s fastest-growing private companies. The list represents a unique look at the most successful companies within the American economy’s most dynamic segment—its independent small businesses. Microsoft, Dell, Intuit, Pandora, Timberland,

LinkedIn, Zappos.com, Zillow, and many other well-known names gained their first national exposure as honorees on the Inc. 5000. T. C. Lewis & Co. also ranked No. 7 nationally in the Real Estate category and the No. 2 fastest growing business in Tennessee.

Robertson presented Susan F. Reid Award

First Tennessee Development District (FTDD) Executive Director Chris Craig presented Scott Robertson, managing editor of The Business Journal of Tri-Cities TN/VA, with the 2018 Susan F. Reid Valued Partner Award at the FTDD annual meeting in Gatlinburg, Sept. 22. In addition to devoting significant space in the pages of The Business Journal to covering the workforce and education efforts of the district, Robertson has also given time and effort to the Tennessee Pathways project and the Complete Tennessee effort, both administered regionally by the FTDD’s office of Workforce and Literacy Initiatives. **BJ**



Chris Craig, left, with Scott Robertson.
PHOTO COURTESY FTDD

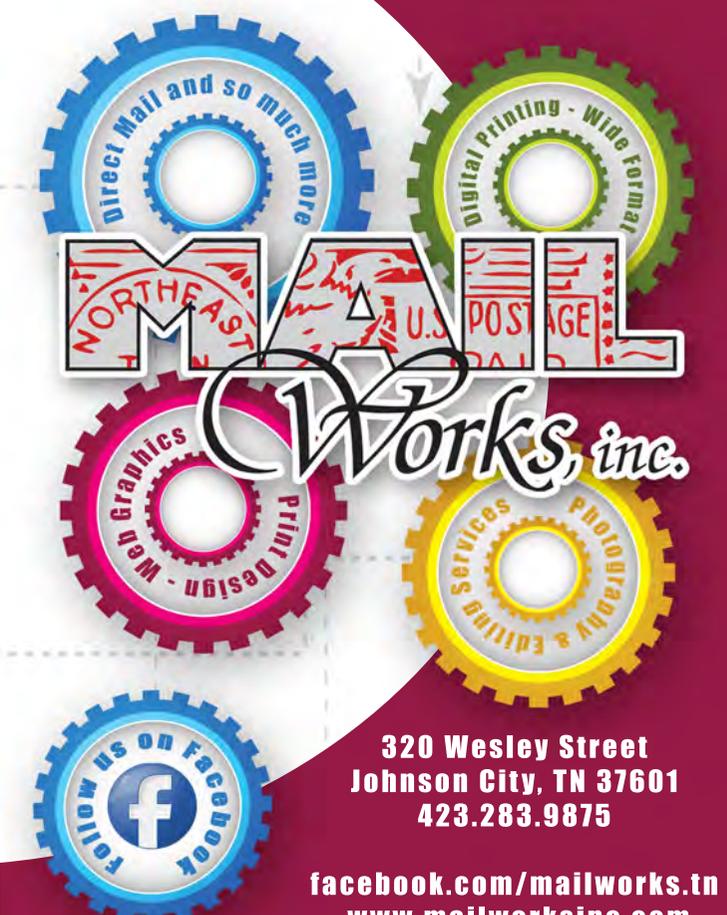
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Cutting Red Tape

by Morgan Griffith

Our part of Virginia understands the damage that can be inflicted by excessive regulation. The War on Coal was largely waged in this manner, as the Obama Administration's Environmental Protection Agency (EPA) imposed layers of rules providing no benefit to the environment but imposing massive new costs on the coal industry.

The coal industry is not the only subject of overzealous regulation. After Hurricane Florence, I toured Floyd County to see flood damage with Sheriff Brian Craig and Board of Supervisors Chairman Lauren Yoder.

I was reminded that under the Obama Administration's Waters of the United States (WOTUS) rule, it appears that the EPA and the U.S. Army Corps of Engineers would call the shots over much of Floyd County as well as other mountainous farmland areas. WOTUS covers lands such as dry branches, puddles, and areas that get waterlogged after prolonged rain, whether they are flooded or not. This is the type of power that unelected bureaucrats have currently.

The numerous, arcane rules issued by the "alphabet soup" of federal regulators have enormous consequences for small businesses, from the restaurants to the nursing homes to the farms of our communities.

The costs of compliance are considerable, and penalties and fines for infractions, even those committed without ill intent, often far exceed the seriousness of the violation.

A local restaurant has been forced into Chapter 11 bankruptcy for an infraction the owners didn't understand and did not profit from. Other businesses have been fined hundreds of thousands of dollars for relatively minor infractions.

These types of unreasonable penalties suppress economic growth and kill jobs. They do not protect employees or clean up the environment. So the House of Representatives and the Trump Administration have gone to work cleaning up the federal rulebook.

I've been working on a bill that targets a textbook example of counterproductive regulation: the EPA's New Source Review (NSR) permitting program.

NSR definitions require owners of certain factories and power plants to obtain permission when they want to upgrade. No one wants air pollution, but NSR's burdens deter facility owners from making improvements that would actually reduce emissions. This state of affairs hurts jobs and economic growth while doing nothing to protect the environment.

My bill, the New Source Review Permitting Improvement Act of 2018, clarifies the rules so that upgrades to existing facilities



would not need NSR permits unless they increase emissions. Businesses would have more certainty in planning for the future. They would be better positioned to invest in technologies that promote efficiency and reduce pollution. It's a win for them and for the environment.

The New Source Review Permitting Improvement Act of 2018 passed the Environment Subcommittee in July, and I look forward to further action in promoting this commonsense regulatory reform.

Part of the problem with regulation is that the executive branch has grown accustomed to writing the rules without interference from the other branches of government. By reclaiming their authority, the legislative and judicial branches can check unneeded regulations.

The House has acted to fix a bad Supreme Court ruling that gave wide latitude to the executive branch. The ruling in the case *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, decided in 1984, declared that courts should accept an agency's interpretation of federal law if the law is worded ambiguously and the interpretation is reasonable.

The practice of "Chevron deference," as the ruling's effect came to be called, effectively gave the executive branch broad new authority to write regulations.

Subjecting regulations to judicial review would force the executive branch to observe more closely the intent and language of laws passed by Congress. Regulations would have to respect statutes passed by the people's representatives rather than the wishes of unelected bureaucrats.

I am an original cosponsor of a bill to end Chevron deference, the Separation of Powers Restoration Act. Its language was included in a bill I supported when it passed the House, the Regulatory Accountability Act, which included numerous other regulatory reforms.

This Congress was also the first to use the Congressional Review Act repeatedly to undo excessive regulations. Before 2017, the act had only been used successfully once; during 2017-18, it was used successfully sixteen times.

Some Ninth District manufacturers have told me that regulatory relief in particular contributes to their success. Along with tax cuts, regulatory reform has fueled job creation and economic growth.

If you have questions, concerns, or comments, feel free to contact my office. You can call my Abingdon office at 276.525.1405 or my Christiansburg office at 540.381.5671. To reach my office via email, please visit my website at morgangriffith.house.gov.

Morgan Griffith is the United States Congressman representing the ninth district of Virginia.

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