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of Tri-Cities Tennessee / Virginia

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Rebuilding Southwest Virginia's economy one drone at a time

Plus:

KPS Global and Leclerc Foods bring
new jobs to Northeast Tennessee

and

Model Mill sale closes



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2017: the year of Southwest Virginia?



I rarely take this space to preview the content of a given issue. After all, the Table of Contents was published just three pages ago. But this issue's primary focus, I think, warrants an overture.

The dawning of 2017 marks a time of increased optimism in Southwest Virginia, where the near-decade-long decline of the coal industry has negatively affected virtually every aspect of the regional economy. Part of that

optimism flows from having a Republican in the White House, and one who campaigned on a promise of reopening coal mines and putting the miners back to work, to boot. Another measure of optimism flows from the fact that efforts are now underway to diversify the region's economic base so problems in one industry can never again shut down virtually the entire regional economy.

It's a heady time, yet also a time for careful contemplation. Those who make decisions and write checks need to ensure the limited resources available for revitalizing Southwest Virginia's economy are put to the best possible use. Opportunities abound, but there's a difference between acting strategically and chasing dreams – and only one of those two is likely to produce desired results in the real world.

Put simply, betting on the return of big coal is chasing a dream. Investing in diversification of the workforce and the

recruitment of new industry is acting strategically.

In this issue, we'll hear from a former Duke Power CEO who was one of coal's leading proponents and customers, as he explains why diversification and retraining are the keys to Southwest Virginia's future, while the coal industry is becoming less likely to return to prominence in our lifetimes.

We'll also learn about the Virginia Growth and Opportunity Fund (Go Virginia) a brand new economic development effort officials believe has the opportunity to bring new employers and investment to the region. The regional Go Virginia council that will represent the 13-county region of Southwest Virginia is being assembled this month. K-VA-T Food Stores President and CEO Steve Smith has already agreed to sit on the statewide board, representing the region.

Finally, we'll look at an effort being made not only to retrain the former coal miners, but also to combat brain drain by giving the region's young adults new opportunities to enjoy long, successful careers in Southwest Virginia.

The last several years have been difficult ones for Southwest Virginia. The opportunities of 2017 represent a unique chance to cast a new vision of success for the entire region. It's a chance that's too rare and too important to let pass.



Ironic statement or just good marketing? This ad encouraging laid-off former coal miners to seek training for other jobs stands at the entrance to Dominion Power's Virginia City coal-fired power plant. Photos by Scott Robertson

KINGSPORT 100

Celebrating the Kingsport Spirit ▶ 2017



COMING MARCH 2017

KINGSPORT CENTENNIAL PUBLICATION

The Business Journal of Tri-Cities Tennessee/Virginia is excited for the opportunity to partner with the City of Kingsport to publish a commemorative edition celebrating *Kingsport 100*, an historical look back at the businesses and people that have made Kingsport a great place to live, work and play for 100 years! The glossy, color, magazine style publication will highlight Kingsport history over the past 100 years and will be filled with photos and editorial documenting the growth of the Model City from its charter on March 2, 1917.

The Centennial publication will be available in print and on-line at *Bjournal.com*, giving access to this keepsake history of Kingsport to virtually anyone, anywhere!

For questions or to reserve your space in the Kingsport100 magazine, contact:

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Ups & Downs

A quick check of the conventional wisdom on who's going what direction in Tri-Cities business

↑ The Regional Center for Advanced Manufacturing – The

RCAM is expanding its downtown Kingsport facility next door to Domtar. Officials from Northeast State Community College, Domtar, Eastman Chemical Co., the city of Kingsport, the Kingsport Chamber and the state of Tennessee spoke at a groundbreaking ceremony marking the beginning of work on a 15,000-square-foot expansion to the existing 26,000-square-foot building. Domtar donated the land.

The extra space will provide for expanded content delivery for both credit and continuing education programs. In addition, the project will also add Machine Tool Technology to the programs now offered at RCAM, significantly increasing the College's machine tool capacity. The project will also allow for increased dual enrollment opportunities. RCAM is Northeast State's primary off-campus facility for training a qualified workforce for the region's manufacturing sector. RCAM courses may be used to fulfill requirements for associate of applied science degrees and/or technical certificate programs offered in Chemical Process Operations, Electromechanical Technology, Electrical Technology, and Welding/Metal Fabrication.

Expansion plans call for a two-story building. The first floor includes industrial-type labs with welding booths and machine tools, as well as tool storage rooms. The second floor includes six classrooms and additional staff offices. RCAM debuted in 2009 with 94 students and currently enrolls more than 500 students. The \$2.6 million project is expected to be completed in August 2017.

↓ Brookhaven Manor – The Tennessee Department of Health has suspended new admissions of residents to Brookhaven Manor, a 180-bed licensed nursing home in Kingsport. The announcement was made by the office of the Health Commissioner Dec. 19. In addition, Brookhaven was fined a one-time civil penalty of \$5,001. The measures were taken in response to conditions found during a complaint investigation and annual survey conducted Nov. 1 through Dec. 7. The investigation was completed Dec. 16. During the inspection, surveyors found violations of standards including administration, performance improvement, physician services, infection control, nursing services and resident rights. The Commissioner of Health may suspend admissions to a nursing home when conditions are determined to be, or are likely to be, detrimental to the health, safety or welfare of the residents. The order to suspend admissions remains effective until conditions have been and continue to remain corrected. A special monitor was appointed to review the facility's operations.



Jeff McCord of Northeast State Community College addresses the crowd who braved the cold Dec. 16 for the expansion groundbreaking at the Regional Center for Advanced Manufacturing. Also pictured (L-R) are: Northeast State Community College President Dr. Janice Gilliam, Eastman Chemical Co., Vice President Parker Smith, Kingsport Chamber of Commerce President and CEO Miles Burdine, Northeast Tennessee Regional Director for the Tennessee Department of Economic and Community Development Iliif McMahan, Domtar Kingsport Mill Manager Bill McPherson, Kingsport Mayor John Clark

Photo Courtesy Northeast State Community College.

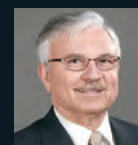


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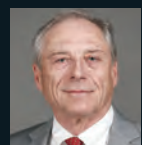
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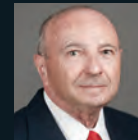
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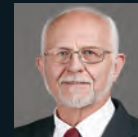
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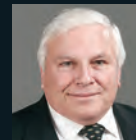
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Former Duke Power CEO Jim Rogers keynotes “Local Energy: America’s Power” conference, Dec. 6 at the Southwest Virginia Higher Education Center, hosted by Emory and Henry College

Photo courtesy Emory & Henry.

Jim Rogers: Retrain miners for other jobs

Former Duke Power CEO on coal rebound: “I don’t see it”

By Scott Robertson

Until a few years ago, Jim Rogers was the second-largest purchaser of coal in the United States. So when the former president and CEO of Duke Power told attendees at an energy industry expo in Abingdon, Va., last month he doesn’t believe politicians, including President-elect Donald Trump, who promise to reopen Southwest Virginia’s mines, Rogers’s sentiment wasn’t so much anti-coal or anti-Trump as pro-capitalist.

“President-elect Trump’s aspirations are right,” Rogers said while keynoting the Dec. 6 Emory and Henry College-sponsored expo, “We need to put people back to work. Having grown up in Kentucky and having used so much coal, I understand the relationship with coal companies that supplied coal for our use. I get it. People have been laid off and there is a need to find work for those people. His aspiration is right. But the one place I would differ is, I don’t think it’s all about putting miners back to work in the coal business...The notion that we are going to re-open the mines – I don’t see it.”

Rogers told the crowd of American Energy Society members his opinion is based on factors on both the supply and demand side of the market.

On the supply side, politicians will be able to roll back regulation, Rogers said, but regulation isn’t at the heart of coal’s decline. Strong competition from natural gas, which Rogers referred to as the “dominant, go-to fuel for baseline generation,” is.

Coal’s biggest customers are energy companies, and those companies share a mandate. “Utilities have a pretty straightforward mission: to provide affordable, reliable and clean electricity, 24/7, in a safe manner,” Rogers said. “Natural gas prices are so low and the technology is so efficient, when a utility makes a decision – and remember, they make a decision with a backdrop of ‘affordable, reliable and clean’ – they go to gas because it’s affordable, has a reliable supply, and is cleaner than coal.

“At Duke (ed. note: and other utilities nationwide), we shut down a number of coal plants to build gas plants and the consequence of that is that coal’s place in the portfolio a generation ago was 50 percent of generation came from coal. Today it’s about 29 percent. That’s not driven by government regulations. That is driven by competition from natural gas.

“I’ve built several coal units in my career. But at the end of my career (2013) I was building gas units, not because of regulation, but because of my mission – produce affordable, reliable, clean and safe energy. I got cheaper electricity with gas. I got the same level of reliability as coal and I got it cleaner. Profit is the consequence of that.”

What’s more, Rogers said, power companies will continue to replace coal-fired plants with gas plants for as long as the profitability continues. “The only hope for re-opening the mines has to do with carbon capture and sequestration,” Rogers said. “If carbon capture and sequestration were economic and available, coal could compete with gas. But it’s not available today. It’s not going to be available tomorrow. It might not be available in 10 years.” During those years, gas will continue eating coal’s energy-supply market share, down to as low as 18 percent by 2030.

“By 2050, virtually every non-nuclear, non-hydro power plant in the United States will be retired and replaced. We’re doing that in a period when the supply of natural gas is cheaper and it’s abundant. That is a huge challenge for the coal industry.”

On the demand side, Rogers said, the power companies themselves will be buying less fuel; coal, gas or other; because today’s electrical devices are more efficient. “We have gone from incandescent lights to LEDs and lighting is a huge component of the use of electricity so that has driven down demand. There are other factors driving demand down as well, like more efficient appliances and more efficient buildings.”

Demand for power will soften at an increasing rate for the foreseeable future, Rogers said. “When you have software that’s dispatching the units to the devices in the most efficient way at different times of the day when the cost of electricity is different, you’re going to see prices and usage come down even lower. Everything we see is saying the demand for electricity is going to continue to decline, especially in the U.S. and Europe.”

In addition, Rogers said, onetime major power company customers are literally dropping off the grid, using alternative methods to provide their own power. “Fortune 200 companies are building wind and solar facilities to provide electricity to their corporations in part because they have a commitment to a sustainable future and in part because they are creating a hedge against an increase in prices. Those technologies will see close to no growth in the cost to produce. The wind is the wind and the sun is the sun, but gas, coal and uranium prices change over time. Wind and solar prices don’t, so these companies see that as a natural hedge going forward.”

For Southwest Virginia’s economy, those are all hard realities.

“I don’t see re-opening mines and putting people back to work there,” Rogers concluded. “I don’t see it happening that way. What we really need to do to make this transition is to invest in miners, in retraining. I think that’s a critical thing that has to happen.” ■

Go Virginia gets going

By Scott Robertson

Southwest Virginia's economic woes are undeniable, yet the region is not so much worse off than the rest of the Commonwealth in some respects. That fact has spawned the creation of an effort formally known as "Go Virginia, the Virginia Initiative for Growth and Opportunity in Each Region."

Go Virginia, as it is commonly known, is designed to combat the decline in the state's economy as measured by the Gross State Product (GSP, the statewide equivalent of the U.S. Gross National Product). Just as the declines in coal production and sales have hurt Southwest Virginia, so too has the decline in federal government spending hurt regions including Hampton Roads, Norfolk and Metropolitan D.C.

According to George Mason University figures, between 2003 and 2015, Virginia lost roughly 31,500 military jobs. From 2011 through 2015, the state lost almost 20 percent of its federal procurement outlays, from just over \$60 billion to just over \$48 billion. And even though the recovery from the Great Recession of 2008 has created more than 42,000 jobs in Virginia, the GSP has declined \$6,316,720,900 in the same period.

When state government leaders asked why they were failing to replace high-paying jobs, the first answer was that the existing economic development structure did not give prospective employers what they wanted. The region, not the city or county, is the organizing unit of the 21st century economy, and the state lacked a purposeful approach to growing regional economies.

The opportunities to grow small to mid-size companies and to encourage development of industry clusters instead of piecemeal, one-company-at-a-time, hit-or-miss efforts all hinge on regional efforts. Yet government and tax structures in Virginia have promoted city-versus-city and county-versus-county competition instead of regional collaboration. As government and mining jobs left, the high-paying replacement jobs were going to states that had their regional acts together.

So, more than a year ago, private sector leaders began the



Steve Smith, K-VA-T Food Stores president/CEO and Go Virginia board member Photo by Scott Robertson

“Encourage collaboration among business, education, and government in each region on activities that will enhance private sector growth and opportunity, economic competitiveness, and alignment of workforce development programs with the needs of employers in the region.”
- The Go Virginia mission statement

process of creating a new way to distribute economic development funds in a way that would maximize the potential for success in several key areas including support for entrepreneurship; existing sector job growth, retention and expansion; workforce development; and enhancement of existing economic development efforts – all on a regional level.

That process has yielded Go Virginia, which has a budget of \$5.5 million state dollars for fiscal 2017 and another \$30 million for FY 2018. This year's budget is designated for the development of each region's economic growth and diversification plans.

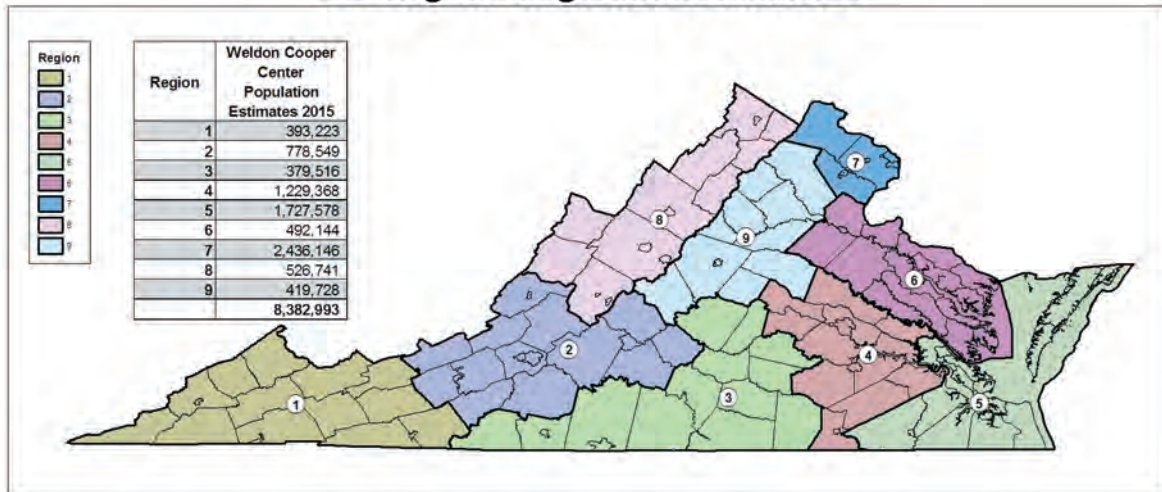
Go Virginia has a statewide board comprised of 23 business and government leaders, each of whom is active in creating regional councils. The Commonwealth is divided into nine regions, with Southwest Virginia designated Region 1. The state board members representing Region 1 are Delegate Terry Kilgore and K-VA-T Food Stores President and CEO Steve Smith.

“Go Virginia encourages regionalism,” Smith said, “that’s one of the things this fund was set up to do, not only to encourage, but almost mandate that we have regional efforts to attract, promote and retain businesses. That’s exciting because we really are one region, and while I don’t know where the state line is between Tennessee is and Virginia for my business and don’t care, sometimes people do get a bit parochial. We should look at Southwest Virginia as one and realize that what’s good for one county will be good for others. Hopefully we’ll see people working together in a spirit of cooperation.”

In October, Kilgore and Smith met with Mike Quillen, a retired coal executive and Delegate Israel O’Quinn to begin formulating a list of potential regional council members for Region 1. “We discussed what kind of structure we wanted to use in the Southwest Virginia region,” Smith said, noting that the regional council would need to be able to create a growth and diversification plan based on the strengths of the region.

“We are looking for a combination of business professionals,

GO Virginia Regional Boundaries



Virginia is divided into nine regions, with 13 Southwest Virginia counties designated as Region 1.

Source: U.S. Census, VA PDC

folks who are job creators themselves; folks who work for the various planning districts we want to bring on; and some education professionals we hope to be able to bring on,” Smith said. “We’re going to put that team together over the next two weeks* and really have what we think will be a cross-functional group that will be able to put together some collaborative ideas on how to bring new industry into our region.”

Go Virginia officials are already working to fight the perception that the effort is just adding another layer to existing bureaucracies. Dubby Wynne, state board chair, said in October, “Go Virginia respects local government authority; it employs incentives, not mandates. We are not proposing new taxes or changes to existing tax streams. We are not proposing altering local control over schools, land use or any other government function. This is a private-sector-focused market-driven initiative, not bigger government.”

Regions will compete for Go Virginia Growth and Opportunity Grant dollars, with the state board providing policy and program direction and guidance on best practices. State board members will serve as ex officio members of their respective regional board. Some guidance has already been put in place, even before establishment of the regional boards. For instance, Go Virginia Growth and Opportunity grants will not be awarded to projects including:

- Construction of transportation projects (except as ancillary to site development)
- Incentive grants to private companies
- Economic development marketing
- Trade missions
- Quality of life projects.

Those projects will be left to the existing economic development entities. Growth and Opportunity Grant-eligible projects include:

- Scale-ups of existing small and medium-sized businesses (REAP – Regional Export Assistance Program)
- Credentialing and business focused training and curriculum development
- Site development
- Commercialization of R&D (public and private)

- Bioscience/neuroscience cross-regional collaborations
- Startup collaborations (incubators/accelerators)

Each regional council will submit to the state board potential projects for funding in its region that will enhance private sector growth and opportunity, economic competitiveness, and alignment of workforce development programs with the needs of employers in the region.

Once a regional council has submitted projects for funding the board will consider several factors including:

- Expected economic impact
- Fiscal resources committed to the project
- The number and percentage of localities participating in the region
- Expected impact and outcomes of projects as well as the complexity of projects
- Any projected cost savings
- Regional effort
- Interstate or inter-regional collaboration
- Efficiency of administration and oversight
- Compatibility of proposed projects with other projects, programs and existing infrastructure

When the board does decide to offer Growth and Opportunity grant support to a region, that support will be limited in duration and every grant will require the region to bring matching funds to the table. That requirement, Smith said, will be a point in Region 1’s favor. “I think we have a unique opportunity in Southwest Virginia we have the VCEDA funds that could be available along with some of the tobacco funds. We have some good leads, some good opportunities to piggyback some of those funds together.

“We may be in one of the best positions of any part of the Commonwealth,” Smith said, “and certainly we have as much need as any part of the Commonwealth from the coalfields down through the Virginia highlands.”

The next state board meeting is slated for March 14 in Richmond. [B](#)

* *The first two weeks of 2017*



Fred Coeburn pilots a Phantom 2 drone.

Photo courtesy Mountain Empire Community College

Revitalizing Southwest Virginia's economy one drone at a time

By Scott Robertson

When Fred Coeburn got into flying model airplanes as a hobby, he had no idea it would lead to an opportunity to bring an entire industry cluster to a region desperately in need of economic diversity. Yet somehow that's what has happened.

Coeburn teaches a course listed in the Mountain Empire Community College (MECC) catalogue as AVI-195, Introduction to Unmanned Aerial Systems. In another time or another place, Coeburn's drone course might be the equivalent of Underwater Basket Weaving at Berkeley, a harmless bit of fun masquerading as academia. In Southwest Virginia circa 2017, however, Coeburn's course is the vanguard of an effort to bring new skills to a workforce in search of work.

The tobacco- and coal-based economies that had kept much of Southwest Virginia's population gainfully employed since settlers moved west from Jamestown have failed. However, both the public and private sectors have latched onto Coeburn's drone program as a possible first step in bringing unmanned systems construction and operations jobs to help fill the gap.

Coeburn said the credit for the creation of the drone program goes to Jack Kennedy, Wise County court clerk. "He decided drones, this nascent technology, were going to take off, and that Southwest Virginia should try to make itself a hub of drone manufacturing technology."

Kennedy met with Matt Sweeny and Tom Bass, the owners of Flirtey, a drone company already making commercial deliveries in Australia. In July 2015, Flirtey became the company to make the first FAA-approved delivery on U.S. soil, shipping medical supplies to a remote area medical clinic in Wise County.

The next step involved bringing Virginia Tech and NASA into the picture, which in turn led to Aurora Flight Sciences sending a Centaur drone (wingspan: 44 feet) full of medical supplies to Wise County, where those supplies were then loaded into Flirtey's smaller drone for the last leg of the journey. The drone that made that delivery is now in the Smithsonian's Air and Space Museum.

At that point, Coeburn started teaching his course, creating a potential workforce on spec, essentially, while the region had the attention of Flirtey, Aurora and virtually every other company involved in unmanned flight. "If you don't have the people trained,



Virginia Governor Terry McAuliffe (right) looks on as Coeburn instructs Appalachian Regional Commission Chair Earl Gohl on the finer points of drone piloting. Photo courtesy Mountain Empire Community College

then those companies won't ever come," Coeburn said. "So I got together with Matt and Tom at Flirtey and started throwing ideas at them and between us we designed the course."

Coeburn has been offering AVI-195 at MECC for two years now, teaching students how to take a bag of parts and turn it into a drone. "We want these students to be technicians and maintenance people. So they have to learn to create a drone from parts. The idea is full immersion in drone technology, from soldering to programming to piloting."

The AVI course prefix implies aviation. Coeburn,

however, saw more opportunities if the college doesn't rule out unmanned terrestrial and aquatic vehicle training, so the next level of courses will have a UMS prefix for "unmanned systems."

The endgame of all this coursework, though, is employment. And by creating the beginnings of a drone-trained workforce, Coeburn and MECC did what they set out to do.

Aurora Flight Systems, which had flown the Centaur drone for the remote area medical clinic mission, announced in August it would begin regular Centaur operations at Lonesome Pine Airport. "Aurora is poised to ensure Virginia takes the lead in the introduction of large unmanned aerial systems operating in the National Airspace System, and Wise County would be a great place to expand our capabilities and create jobs," said Jeff Harlan, Centaur program director at Aurora.

When Aurora committed to creating jobs in Wise County, it proved the college program was more than just a class about a hobby. The Appalachian Regional Commission quickly approved a \$2.2 million grant to the Wise County Industrial Development Authority to fund the Virginia Emerging Drone Industry Cluster Project. An ARC release said, "funds will be used to position five counties in southwestern Virginia as a national destination for the development of a drone-operator workforce to support the emerging drone industry... The award will train 64 new workers, leverage \$15,000,000 in additional investment, and enable a private aerospace company in the region to perform work on a major contract – thereby creating 210 new direct and indirect jobs."

Those jobs can be filled by retrained former miners or by young students who might otherwise leave the region. From Fred Coeburn's hobby, a model of how to diversify and grow a stagnant economy has risen. ■

Leclerc to establish US headquarters in Kingsport

A Canadian snack food manufacturer recently announced plans to establish its U.S. headquarters in Kingsport, where it already operates a manufacturing plant. Leclerc Foods officials made the announcement Dec. 6 in conjunction with Tennessee Governor Bill Haslam.

Leclerc plans to invest \$49 million in refurbishing an existing building to become its second Sullivan County center of operations, creating more than 100 jobs in the process. The new facility will include a new manufacturing line for granola bars, as well as warehousing and distribution space and Leclerc Foods' U.S. headquarters. Leclerc anticipates the renovations will be completed in by mid-2017.

"We have chosen to operate a second plant in Kingsport because this acquisition fits our business vision and corporate development strategy. This plant will manufacture certified gluten-free products exclusively. It will allow us to position ourselves near our U.S. clients and meet their specific needs," said Jean-Sébastien Leclerc, vice president of co-manufacturing and manufacturing infrastructure at Leclerc Foods.

Leclerc currently employs around 100 Tennesseans in its existing Kingsport plant, which produces crackers and cookies. Leclerc Foods will continue operations at its first Kingsport facility, which opened in 2008 and has undergone two prior expansions.

"Leclerc Foods' decision to bring its U.S. headquarters to Kingsport is a prime example of our economic development efforts hitting on all cylinders," Haslam said. "Since first establishing a new

manufacturing plant in Kingsport eight years ago, Leclerc Foods has expanded considerably. Now, Leclerc Foods is doubling its Kingsport workforce and adding high quality office jobs that will have an even bigger impact on Sullivan County."

"Leclerc Foods' decision to locate its U.S. headquarters and a second plant in Kingsport reinforces our position that we are a vibrant city that offers an outstanding workforce to support more than 100 new jobs as well as a very high quality of life to attract and retain professional talent," Kingsport Mayor John Clark said. "These corporate location decisions continue to support our desire to be where Tennessee begins its business day. We look forward to working with Leclerc Foods as it continues to thrive in Northeast Tennessee and across the globe."

"I am thrilled that Leclerc Foods has decided to double down in Sullivan County. When an existing company chooses you for a second time after a competitive recruiting process, it speaks volumes about our workforce and pro-business culture," Sullivan County Mayor Richard Venable said. "This was a great team win with NETWORKS Sullivan Partnership, the City of Kingsport, Sullivan County, and the Tennessee Department of Economic and Community Development all stepping up to land a project that was on a fast-track pace. I wish Leclerc Foods continued success as it produces another line of great products and locates its U.S. headquarters in Northeast Tennessee." **BJ**

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KPS Global to expand Piney Flats facility, add 64 jobs

A Texas-based walk-in freezer manufacturer plans to expand its operations in the Tri-County Industrial Park in Piney Flats, investing \$1.5 million in the facility and adding 64 new jobs in the process.

KPS Global officials made the announcement in conjunction with Tennessee Department of Economic and Community Development Commissioner Randy Boyd Dec.13. The company, which was formed with Kysor Panel Systems merged with the walk-in division of Hill Phoenix in December 2015. At the Piney Flats facility, the company makes walk-in coolers, freezers and environmental chambers.

KPS Global will add 37,000 square feet to its current facility in Sullivan County. In addition, KPS Global will locate a portion of its operations to a second building in the same industrial park to increase both the manufacturing and warehousing areas. Construction is expected to be completed by early 2017.


“With this expansion, KPS Global has also signed a new lease on the facility and is committed to growing the business and volume of work being performed in the newly expanded facility,” Trey Cown, KPS Global vice president of operations, said. “KPS Global LLC has added many new positions over the past year and will look to continue to add jobs with the anticipated growth.”

“This is a huge vote of confidence in the Piney Flats team and Tri-Cities communities,” KPS Global Plant Manager Rick Newberry added.

KPS Global, which has been located in Sullivan County since 1996, is a leader in the manufacturing and installation of walk-in cooler products and environmental chambers. The company serves the supermarket, convenience store, scientific and industrial markets.

“More than 344,000 Tennesseans work in manufacturing and that number will continue to rise exponentially with the help of companies like KPS Global choosing to grow in our state,” Boyd said. “I want to thank KPS Global for expanding in Sullivan County and for creating more than 60 new jobs for our Team Tennessee workforce.”

“KPS Global had some other compelling options in the Southeast and East Coast to make this move, not to mention buildings and sites in Northeast Tennessee, but because of the productivity of its Piney Flats workforce, its leadership made the decision to expand the current facility and that speaks volumes,” Sullivan County Mayor Richard Venable said. “I’d like to commend NETWORKS Sullivan Partnership, particularly Brian Ritz, for working with KPS leadership throughout a very competitive process to secure this expansion and enable KPS Global to continue to benefit from the outstanding workforce and grow here in Sullivan County.”

The Tennessee Valley Authority also assisted with the move. “TVA, Bristol Tennessee Essential Services and Johnson City Power Board congratulate KPS Global on its decision to expand in Sullivan County,” TVA Senior Vice President of Economic Development John Bradley said. “Helping to create new job opportunities is fundamental to TVA’s mission of service.” 



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Tri-Cities Airport has full agenda for 2017

Aerospace Park funding, Highway 75 widening top list

By Scott Robertson

When Tri-Cities Airport (TCA) Executive Director Patrick Wilson finished showcasing the facility's new electric-powered tug and baggage conveyor Dec. 20, he was wrapping up a busy year. Only days before, Wilson had hosted a news conference announcing the rebranding of what had, since 1937, been the Tri-Cities Regional Airport. The airport also relaunched its *triflight.com* website. And in August, the airport reopened its newly rescaped parking area.

Both in public and behind the scenes, 2016 was a positive year for TCA. The airport authority, though, believes 2016 was just a stepping stone. This time next year, Wilson hopes the positive changes that will have occurred at the airport will dwarf the impact of 2016.

Awakening the sleeping giant

One of the first items on the agenda, and certainly the one with the greatest possible long-term impact on the region, will happen not in Blountville, but in Nashville during the deliberations of the Tennessee General Assembly. State legislators will consider making a change in the wording of a state act that might allow the airport's surrounding communities to bond necessary site work on



Patrick Wilson



Timothy Hill

the Aerospace Park initiative.

Aerospace Park is the brand the airport authority has given to its attempt to turn 160 acres of fallow ground on the far side of the main runway from the terminal into an industrial park for aerospace cluster businesses. The park would leverage not only the fact that the land represents the only Select Tennessee Certified development with direct airfield access, but also its proximity to Northeast State Community College for workforce training, a foreign-trade zone and on-site Customs.

Community leaders and economic development officials have expressed enthusiastic support for the site's development because the aerospace cluster generally creates high-paying jobs and significant capital investment. "I love the concept and like the opportunity," said State Representative Timothy Hill. "You're talking about a crossroads scenario. What do we want to be and what can we be? The types of jobs that are proposed to go into this place are not retail. They're economy-sustainers."

The hold-up in developing the property to date has been the need for grading 140 of the 160 acres. In 2016, Wilson told *The Business Journal* it would cost around \$15 million to cover the cost of that work.

Bristol, Kingsport, Johnson City, Sullivan County and Washington County in Tennessee have all indicated willingness to consider participating in floating those bonds. Bristol, Va., is not presently in position to take part in such an endeavor.

Wilson said he is confident of Aerospace Park's potential to draw aerospace cluster companies to the site. "We are having conversations with various aerospace industry people and they are interested in it. We have had some site visits and so we see that for Aerospace Park it's a good time within the aerospace industry. There's growth projected within the maintenance, repair and overhaul market. Some of those companies are coming back to the United States where they had previously moved their operations to other countries. So we're seeing a steady projection of growth within aerospace maintenance, repair and overhaul. We want to take advantage of that."

But before the grading work can begin, a funding mechanism must be put in place, and that's where the general assembly comes in. Hill is carrying legislation in the State House that would allow the surrounding communities to bond the debt to pay for the Aerospace Park site work.

Tennessee airports are governed by the Tennessee Code

Annotated either as Metropolitan or Regional Authorities, with separate sections of the Code applying to each. The Metropolitan Act allows a single large community to bond the funding of a project like Aerospace Park. The Regional Act, however, has no verbiage allowing multiple local governments to do so jointly.

"I don't know that the Regional Authority Bill specifically excludes that, but it doesn't include it," Hill said. "So we're going to carry a bill to take that section from the Metro and put it in the Regional. I would imagine from a standpoint of mechanics, we would want the law to take effect as soon as it passes rather than waiting for July 1."

Hill said that as a conservative, he sees the current Regional Act as the government getting in the way of business. "If the interest is there by the stakeholders on behalf of their people, move forward. There should be no barrier. The way the law is written right now there is a barrier."

Besides, Hill said, the proposed change would not force anyone to do anything. It would only allow the airport to have conversations they currently cannot have. "It should not be controversial. You're just giving the authority the ability to go to

SEE AIRPORT, 20

Page 18, top, a marketing map of Aerospace Park made when TCA was still TCRA. Below, an Allegiant jet arrives at TCA.

Photos by Scott Robertson



AIRPORT, CONTINUED

their stakeholders and ask.”

Said Wilson, “This will allow the option to be there if the concept of a joint partnership of Aerospace Park is pursued by the cities and counties – this allows that to move quickly if, as we move into the new year, the cities and counties agree to develop a partnership for the development.”

Safety First

Both TCA and Northeast State front Highway 75 on the south side. On the north side are a church, a school and a neighborhood. As traffic counts have grown over the years, so have safety concerns along that stretch of road.

“From the airport authority’s perspective, we were very glad to see the widening project that went from Highway 36 up to the airport entrance bridge,” Wilson said. “But the project stopped there. We have thought the most congested area actually runs from the airport entrance bridge down to Muddy Creek. There’s a lot of activity there, not only from people entering and exiting the airport, but also a lot of traffic from Northeast State Community College as well as various other businesses, schools and churches along that segment of the corridor. We think it’s a high priority to do some improvements in that area.”

Complicating the problem is the fact that only a couple of the roads that feed into Highway 75 from the north align with roads on the south side. (See Googlemaps image, page 21). That makes



Director of Operations David Wayne Jones shows off the newly acquired electric tug.

placement of traffic signals problematic.

For the last year-and-a-half, airport officials, along with representatives of Northeast State, the Northeast Tennessee legislative delegation and the Tennessee Department of Transportation have been discussing a potential solution.

“We have been working with TDOT, and what the plan looks like now is to widen the road with turning lanes all the way out to Muddy Creek,” Hill said. “There will be a red light at the

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Googlemaps image shows the section of Highway 75 to be widened, with proposed traffic light locations marked.

airport entrance, then there will be a red light on the highway at Muddy Creek with a turn lane specifically for the FedEx trucks.”

Much has been made in the last couple of years of the Tennessee Department of Transportation’s lack of available funds for road projects. The widening of Highway 75 in front of TCA would cost roughly \$1.2 million. But negotiations between TCA, Northeast State and the state have brought the price tag down.

The right of way for the widening project will all be on the south side of the highway, Hill said, and the airport and the college will give over their land without remuneration. “Northeast State is giving up a significant amount of right of way to make it happen. The airport will give up a little space as well. It’s really an effort by the whole crew, because TDOT does not have the funds to cover the right of way purchase.”

Said Wilson of the right of way donation, “We don’t see any issues with that at all. It’s such a small piece we would be glad to work with TDOT in exchange for the improved safety that will come from this project.”

Building on 2016

The progress the airport authority hopes to make in 2017 won’t happen without cooperation and partnerships, Wilson noted, just as the progress of 2016 could not have.

The much ballyhooed electric tug and conveyor would not be moving travellers’ bags from Point A to Point B today had it not been for partnerships with Bristol Tennessee Essential Services and the Tennessee Valley Authority. The cost savings associated with replacing decade-old diesel-powered units, as well as the cost savings to be realized over the lives of the electric-powered units would not have been possible had BTES worked to bring in a TVA grant.

“The airport authority is grateful to all our partners,” Wilson said. “We look forward to continuing to work with them in the future.”

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States' role in Ballard drama winding down

FTC waiting in the wings

By Jeff Keeling

The Tennessee Department of Health (TDH) is in the process of a thought experiment as it stares down a deadline to rule on Mountain States Health Alliance and Wellmont Health System's application for merger approval. It's an experiment that has been keeping lawyers plenty busy up to the end – unless, of course, this isn't the end and the battle continues after TDH's ruling, due by Jan. 12.

On one hand is what the systems, and many local merger proponents, hope is an irresistible force: their arguments that a well-regulated hospital monopoly can yield benefits that outweigh any disadvantages likely to occur due to reduced competition – that they can “become better together,” to borrow a phrase from their public relations campaign. On the other hand is the contention that the Federal Trade Commission (FTC) and an assortment of other interested parties have consistently put forth – that any anti-competitive situation of this magnitude, no matter how well-intentioned or comprehensively regulated, is incapable of adequately replacing what they say are the benefits to consumers only competition can provide.

In the middle of these two poles, TDH Commissioner Dr. John Dreyzehner, his team, representatives of the Tennessee Attorney General's office and a cadre of consultants must make a decision with implications that could reverberate beyond the greater Tri-Cities region. If TDH grants a Certificate of Public Advantage (COPA) allowing the systems to enter into and be governed by a “cooperative agreement” – and if Virginia follows suit – the doctrine of “state action immunity” as it relates to hospital mergers would take a major step forward.

Because they immunize merging hospital systems from standard federal and state antitrust laws, COPA laws have the potential to significantly erode the FTC's ability to challenge mergers. If the MSHA-Wellmont COPA is approved, it would be larger and more complex than the several COPAs that have preceded it. More and larger dominoes could follow.

And so the FTC and others have beaten their drum as the months have passed. Even up to the Christmas season, as hospital system leaders almost certainly have negotiated with TDH counterparts to fine-tune any possible COPA and TDH has also met with the FTC, hospital system attorneys have focused on countering a late wave of opposing arguments.

New wave of written opposition, old theme

The systems' familiar bogeyman, the FTC, was not alone in expressing written opposition to the COPA application around the time of the final public hearing on the matter, held Nov. 21 in



Dr. John Dreyzehner, Tennessee Commissioner of Health

Johnson City.

Within six days on either side of that hearing TDH, which has until mid-January to rule on whether to grant the COPA, received a 127-page “public comment” from the FTC, as well as separate letters urging TDH to deny the application. Additionally, a large local physicians group, Holston Medical Group, submitted a letter raising significant concerns about the merger, though not opposing it outright. The additional letters of opposition included:

- A 31-page assessment from a physician and public health professor from California, Dr. Kenneth Kizer, that had been commissioned by the FTC;

- A six-page, exhaustively footnoted letter signed by 46 academics writing in their capacity as “professors and academic economists with

expertise in the subjects of antitrust, competition policy, and health economics”;

- A 33-page letter from Amerigroup, a health insurance and managed care provider whose parent company, Anthem, has actively opposed the application on the Virginia side of the border.

The themes in the letters resonated with the arguments that have been made by the FTC. Competition, even in this challenged market, is better able to contain cost, drive population health improvements than any anticompetitive situation could be, the letters and studies contended. The commitments made by the systems, whether related to pricing controls, investments in population health or research, or myriad other factors, would prove difficult to enforce, they added.

The Kizer and Amerigroup submissions were relatively predictable, but the letter signed by the academics had an air of mystery about it. The primary signatory, Leemore Dafny, is a Harvard business professor, just come over from Northwestern University's Kellogg School of Management. Her Harvard faculty page notes that she researches “competitive interactions among payers and providers of healthcare services, and the intersection of industry and public policy.” It goes on to say her work has appeared in the *American Economic Review* and *New England Journal of Medicine* as well as the *New York Times* and *Wall Street Journal*. Dafny also served as deputy director for healthcare and antitrust in the FTC's bureau of economics in 2012-13.

The academics' letter argued that the COPA agreement isn't sufficient to curb the systems' exercise of market power that would arise from a merger; that little empirical evidence exists to show that integration among providers actually leads to cost savings – a major basis of the systems' argument to merge; and that the systems' proposed commitments will be difficult to enforce.

The systems respond

The letter drew a quick response from MSHA CEO Alan Levine, who told WJHL-TV that, “not one of those economists actually read the documents that we submitted to the state.”

While Levine was leading the administration’s public response to the economists’ letter along with those of Kizer and the FTC, system attorneys were drafting a comprehensive, point-by-point rebuttal to them – and to HMG’s more measured letter.

Over and against the opponents’ arguments, the 147-page response begins by summarizing the rationale behind Tennessee’s COPA law: that such agreements, “may foster further improvements in the quality of health care for Tennessee citizens, moderate increases in cost, improve access to needed services in rural areas... and enhance the likelihood that smaller hospitals in Tennessee will remain open to serve their communities.” Without the ability to create a regulated cooperative agreement immune from antitrust action, the systems argue, those challenges of cost, access and rural services are unlikely to be addressed. The response cites a collective operating loss of \$19.5 million in the two systems’ rural hospitals that was absorbed by the larger facilities, and notes that stagnant population and decreasing inpatient admissions make sustaining that subsidy unlikely but for the merger.

Merger opponents, the response contends, are against the very concept of the Tennessee legislature’s “policy choice to institute a regulatory program that supplants competition with respect to health care transactions for Tennesseans. Repeatedly, staff’s disagreement with the concept of cooperative agreements permeates theirs and others’ commentary about the merits of the Parties’ Application. Staff’s policy opinions are not relevant.” (emphasis theirs)

The final act?

More than three years have passed since Wellmont leaders announced the system would look for “a strategic partner.” Nearly two-and-a-half years have gone by since a well-orchestrated campaign commenced to see MSHA become that partner, and it’s been 20 months since the two became officially betrothed.

While it’s within the realm of possibility that the FTC and others could stand down in the event of state and commonwealth approval – or that the systems could do likewise in the event of a denial – avenues exist for appeals. Tennessee’s law permits, “any intervenor aggrieved by a decision of DOH to grant or deny an application for a certificate of public advantage to appeal the Department’s decision...” An administrative judge or court of competent



Alan Levine, Mountain States Health Alliance CEO and Bart Hove, Wellmont Health System CEO File Photo

jurisdiction would be tasked with the decision of whether to issue a stay, and an unsuccessful appellant would be responsible for the appeal costs and attorney’s fees of the applicant.

For their part, Levine and Wellmont CEO Bart Hove told the *Johnson City Press*’ Zach Vance that if Tennessee denies the application, there’s a good chance the systems will someday be purchased by outside hospital operators. The FTC, meanwhile, hinted that it might press appeals beyond the initial state decision when it abandoned its administrative complaint against a state action immunity merger in West Virginia in July: “Our decision to dismiss the complaint without prejudice does not mean that we will do the same in other cases in which a cooperative agreement is sought or approved.”

So it seems mid-winter may not offer a final verdict on whether COPA proponents have created an irresistible force, unstoppable by any arguments including those put forth by the 46 economists in their Nov. 21 letter, when they wrote as part of their conclusion: “there is no longer any meaningful debate in the academic community about whether competition among hospitals and other healthcare service providers is beneficial to consumers.”

Links to the documents cited in this article can be found at tn.gov/health/article/certificate-of-public-advantage-how-to-comment. [B](#)

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Summers Taylor closes on Model Mill purchase in Johnson City

By Collin Brooks



Perhaps the biggest structure — and biggest eyesore — in downtown Johnson City will likely become a model once again. The principals of Summers Taylor Inc., Rab and Grant Summers, recently closed on the purchase of the old Model Mill Property.

The 40,000-square-foot building will become the headquarters for Summers Taylor and will also have room to house various other offices, according to Summers Taylor President Grant Summers.

“I believe it is a very important part of our downtown and part of our history of Johnson City as a whole. I just think it is a significant structure and I would hate to see it be lost,” Summers said. “Well before I even considered our involvement, I was passionate about saving it and the pieces fell together where we could have some involvement and use our headquarters relocation project to be an anchor for this project.”

A fire that engulfed a portion of the historic structure Sept. 25 put a hold on the closing while the Johnson City Chamber of Commerce, which owned the property at the time, worked out the insurance payment for the arson-caused fire.

Interior and exterior cleaning, along with demolition has already started and will continue through the winter months, with Summers saying he hopes crews will be able to start true construction in the spring. If everything goes smoothly, Summers said the project could be completed by late 2018.

Even after the structure fire, Summers said he never second guessed whether his company should be pursuing the purchase of the building.

“I didn’t have any second thoughts,” Summers said. “The night that (the fire) happened, what is running through your head is if the building is still structurally secure, if the insurance can pay for the clean up ... it was always our hope to continue moving forward.”

On Nov. 28, the Washington County Commission approved a tax increment funding package that would not exceed \$1.2



Grant Summers

million with that money assisting on the redevelopment of the first phase of the project.

That phase includes the renovation of the Model Mill, which will become the headquarters for Summers Taylor, Inc. Summers also said that there will be space for another large office tenant, as well as other retail and/or restaurant ventures that would like to be a part of the revitalization of West Walnut Street.

With the Summers Taylor, Inc., headquarters being the anchor tenant, Summers said that they want to make sure to make something that everyone will be proud of.

“I’m going to have to look at it every single day for at least the next 50 years, I hope, so I think it will be a broad range of things, from hopefully some high-end dining and retail to a smaller collection of spaces like downtown. We are just really starting to dive into the master planning and visioning of it right now.”

The vacant land with State of Franklin frontage could see construction of high-end restaurants, while the frontage along West Walnut will be developed in a “downtown style”, according to Summers, with stores on the street front and parking located behind it.

“It takes a little bit of vision right now, but we think people are going to be jumping out of the woodwork to want to be a part of this,” Summer said. “So we are just trying to focus on getting it cleaned up and getting that process started.”

Summers said that his group hopes to keep the original architectural essence of the project true, including maintaining the silos and hopefully splitting them into a unique small space for tenants. He and his company were appreciative of the support he has received from the business community and the surrounding neighborhood since his interest in the property was announced.

“The public support and response that we have gotten has been overwhelmingly positive and we really appreciate that,” Summers said. “It is a big risk and it does look pretty bad inside and out right now, so to have the encouragement of so many people it definitely helps you push through things like the fire.”

KOSBE Awards honor successful small business owners

By Scott Robertson



Honorees at the 2016 KOSBE Awards include (L-R) Donny Reeves, Luci Tate, Annisa Kittrell, Julia Johnson, Jenny Vicars, Amy Jackson, Jay Jackson, Brittany Jorgenson, Diane Vogt, Marshall Begley, Sarah Begley, Brenda Barnicki, Sandra Brown, Michelle Cunningham, Keith Cunningham, Keddrain Bowen, Dan Ragan, Angela Vachon and John Vachon. Photo courtesy KOSBE.

The Kingsport Office of Small Business Development and Entrepreneurship (KOSBE) honored 13 area businesses at the 2016 KOSBE Awards Dec. 8 at the MeadowView Conference Resort and Convention Center. The 2016 event broke with tradition by not having a local businessperson act as keynote speaker, as is normally the case. Instead, the keynote address was delivered by Monica McCoy, founder, executive coach, global speaker, and consultant at MonicaMotivates, LLC and senior manager, channel planning and development for Coca-Cola in Atlanta.

McCoy's address included both motivational and analytical elements. "It is critical for small business owners to understand their brand and the key value their brand brings to the table in a partnership," McCoy told the crowd. "What they do not want to do is misalign their brand in a partnership. Whether they are a sole proprietor looking to bring someone into the business, or they are outsourcing work, or partnering with other brands, it's important to know their own attributes, values, purpose, strengths and passions better than anyone."

Aundrea Wilcox, executive director of KOSBE, said after the awards ceremony, "In addition to handing out 13 awards, it was a privilege for KOSBE to provide a platform for giving wings—or wheels in this case—to a deserving youth. Past KOSBE Award Winner and Sponsor Millennium Auto Collision Repairs gave away a car, and Hayworth Tire & Auto Services provided the new set of tires. These small business owners are an example, and showed us all that the night was not about what we get. It's about what we give."

Darrell Dinsmore, vice president of Technology, Eastman Credit Union, and incoming KOSBE Chairperson said, "We are so inspired by this year's winners. Nothing is bigger than small

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CrossFit Manic**

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**Hibbert-Davis
Urban/River Brews**

Multiple Store

Fanatics 101

Philanthropic

**Donny Reeves
Eye Institute**

Veteran-Owned

Anissa Kittrell

IMPACT

Bellafina Chocolates

Small Manufacturing

Sandra Brown

Visit Kingsport Spirit of Hospitality

*Awardees were determined via a competitive process including a judge panel.

business. The majority of job opportunities come from small business employers like these." 

First Tennessee Development District marks 50 years of service

BY SCOTT ROBERTSON

For the last 50 years the First Tennessee Development District (FTDD) has shied away from making headlines, choosing instead to make a difference.

When local officials needed federal funding to bring clean drinking water to rural areas, the FTDD was the conduit to the federal funds needed. When aging citizens needed help with basic needs, the FTDD, through its Area Agency on Aging and Disability, was there. When the region needed Highway 19-23 redesignated as I-26, the FTDD pushed for it. The FTDD worked to help create the ETSU Colleges of Medicine and Pharmacy. “We’ve done everything,” said Director Susan Reid at a golden anniversary reception last week. “Whatever our communities need, we’ve tried to do that.”

Created by the Development District Act of 1965 (DDA), the FTDD’s original stated goal was, “to guide and assist local governments to make maximum use of federal, state and local programs designed to stimulate economic development and best utilize available resources.”

Before the DDA, local governments had to read through reams of data to learn about available low-interest grants and loans for projects to improve the lives of citizens. Since most small governments had no time to do that research, the development districts were set up to serve as a liaison to be utilized by multiple municipal governments in a given region.

“A little more than six years ago, I didn’t even know what the development district was,” said Washington County Mayor Dan Eldridge, “and I’ve been here virtually my whole life. The development district is made up of professionals with some very specific skill sets that quite frankly don’t exist in county government.”

Since its inception, the FTDD has helped bring more than \$300 million in grants and loans to local efforts in the region.

“After the creation of this district, we were able to reach goals together that none of us could have accomplished on our own,” said Leon Humphrey, chairman of the district board and



Washington County, Tenn., Mayor Dan Eldridge speaks at last month’s news conference and reception.



Johnson County Mayor Larry Potter, FTDD Director Susan Reid, Carter County Mayor Leon Humphrey, Mosheim Mayor Thomas Gregg and Mount Carmel Mayor Chris Jones Photos by Bill Derby

Carter County mayor.

“From our earliest years we tackled things like developing industrial parks such as those in Hancock, Johnson and Washington counties. Water projects and sewer improvements happened in virtually every community in the eight counties in the district. Vocational school buildings were built in Johnson and Unicoi counties. We could go on and on and not even begin to scratch the surface of what we have achieved by working together as one.”

With a budget near \$7 million (most of which goes into the Agency on Aging), the district is funded by the federal, state and local governments, Reid said. “Our local governments pay dues. We have contracts with state agencies to do certain things. As far as accountability, we answer to everyone – local governments, state government, and we are audited by the comptroller’s office.”

The district is guided by a board made up of the mayors of towns, cities and counties in Northeast Tennessee, along with representatives of business and industry appointed by those mayors. “Without the mayors, we can’t do anything,” Reid said, “and I can’t tell you what a wonderful staff we have.”

Richard Venable, Sullivan County mayor and former district chair, summed up the sentiment in the room, saying, “The impact (the FTDD) has had, not just on my county, but on this region, cannot be measured. We truly have a jewel in the region right here.”

Donna Stinson and **Mary Taylor** have been named to new positions at The Corporate Image (TCI), an integrated communications firm headquartered in Bristol, Tenn.



Donna Stinson

Stinson, who previously served as administrative manager for TCI and Corporate Marketing (CM), the firm's marketing and advertising division, has been promoted to office manager.



Mary Taylor

In her new position, she is responsible for accounts payable and receivable, human resources, and all internal communications systems. Stinson also manages the companies' tax compliance and regulatory affairs in the various states in which TCI and CM have clientele.

Taylor joins the companies as administrative assistant. Her responsibilities include assisting Stinson with invoicing, billing and office management tasks.

"We're delighted to promote Donna to such a deserving position and welcome Mary to our team," says Robbie Phillips, vice president of The Corporate Image. "Both individuals bring a variety of diverse organizational skills to their respective positions, and we look forward to benefiting from their knowledge and experience."

A resident of Blountville, Tennessee, Stinson served as office manager with First Class Travel and Cruise Center in Bristol, Virginia, before joining TCI in 2014. A

certified travel agent, she has also served as a consultant for travel firms in the region.

Taylor is a graduate of East Tennessee State University, where she earned a bachelor's degree in sociology. A resident of Bluff City, Tennessee, she most recently served as a credit services specialist for Citibank.

Mattern & Craig Engineers & Surveyors, a civil and structural engineering and surveying firm with offices in Tenn, N.C., and Va., has announced the addition of **Jacob Grieb** to its Johnson City staff. Grieb, a licensed engineer in the states of Tennessee and North Carolina, takes the role of design engineer/project manager. He is also a certified floodplain manager and is certified as a low impact design professional.



Jacob Grieb

Grieb comes to Mattern & Craig from the city of Kingsport, Tenn., where he served as civil engineer for four years. His experience includes a broad range of civil engineering duties including roadway design, sanitary sewer design, stormwater design, and water and sewer lines. Prior to his time on the public side, Grieb spent six years as a design engineer and project manager for private consulting firms in Louisville, Ky., and Asheville, N.C.

A native of Louisville, Ky., Grieb is a graduate of the University of Louisville where he earned both a Bachelor of Science and Master of Engineering in civil engineering. While at Louisville, Jacob was a four-year letter winner in swimming and held the school record for men's 200 free relay.

BJ *Awards & Achievements*

A.O. Smith's Brasfield named Leader of the Year



Linnie Braswell receives his award.

Linnie Braswell, inContact systems administrator at A.O. Smith, has been named the winner of the 2016 inContact Mojo Award for Contact Center Leader of the Year. He received the honor during the annual inContact user conference in Orlando, Fla. Leader of the Year is the only individual honor given during the inContact Mojo Awards, which generally honor organizations.

A.O. Smith uses inContact, a cloud-based technical support call routing system to handle 1.5 million calls annually to seven call center locations in North America.

The 2016 inContact Mojo Awards, sponsored by Verizon, and in partnership with Ovum recognizes companies and individuals that encompass an "above and beyond" commitment to providing superior contact center experiences to their customers. This year's panel of judges featured a principal analyst from Ovum, a research and consulting firm known for its

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AWARDS & ACHIEVEMENTS, CONTINUED

contact center industry leadership and expertise.

Ovum Principal Analyst Ken Landoline said, “Linnie is a contact center industry leader and visionary who supports and exemplifies inContact best practices. His achievements have significantly improved contact center operations while his new ideas and passion infuses the workforce. Linnie exemplifies what it means to be a leader and is truly deserving of this award.”

Baker Donelson among best for parents: *Fortune*

Baker Donelson has been named to *Fortune* magazine’s first-ever list of 50 best workplaces for parents.

Baker Donelson is ranked 43rd on the list, which is based on anonymous employee feedback, as well as benefits provided to help mothers and fathers participate fully in their organizations. Among the parent-friendly policies that helped Baker Donelson earn its ranking on the list is the firm’s parental leave policy, which offers 16 weeks of paid leave for both male and female attorneys to take as primary caregivers and which also allows intermittent leave for both primary and non-primary caregiver attorneys.

In 2016, as many men as women took advantage of the parental leave policy. Baker Donelson also put parental leave mentors in place in every office to help attorneys transition successfully in and out of leave and is studying implementing free express breast milk shipping for mothers who travel for business.

The 50 Best Workplaces for Parents list, published by *Fortune* in partnership with consulting firm Great Place to Work, is based upon feedback from 122,482 working parents at Great Place to Work-Certified companies who completed a Trust Index Employee Survey. Mothers, fathers and their colleagues answered 58 questions about the reality of their day-to-day workplace experience, including organization-wide support for work-life balance, the quality of benefits, the fairness of opportunities for professional development and advancement, and their overall assessment of the quality of their workplace.

Earlier this year, Baker Donelson was also named one of *Fortune*’s 100 Best Companies to Work For. In its seventh consecutive year to be included, Baker Donelson was ranked 32nd on the list, which recognizes companies that have exceptional workplace cultures. The firm was also recognized for the second consecutive year on *Fortune*’s 100 Best Workplaces for Women listing, earning a ranking of 53rd. Baker Donelson is also ranked ninth in the country on Vault’s Best Law Firms for Diversity list and is ranked sixth in the country by Vault for Diversity for Women.

Walker to chair Tennessee Economic Partnership

Clay Walker, CEO of NETWORKS Sullivan Partnership, has been elected as the 2017 chair of the board of directors for the Tennessee Economic Partnership (TEP), the statewide public-private partnership that markets the state of Tennessee as a premiere place for business. Walker brings more than 20 years of experience in economic development, including principal of his own consulting firm, vice president of the 45-county regional organization West Kentucky Corporations and head of multiple communities’ economic development organizations.

The Tennessee Economic Partnership is a public-private

program of the State of Tennessee, the Tennessee Valley Authority and Tennessee’s business and economic development community. Through strategically planned networking events, TEP generates leads and business relationships with key prospects and consultants in an effort to attract jobs and investment to Tennessee. TEP helps to market Tennessee as a premiere business address by delivering the state’s pro-business story to corporate real estate decision makers.



Clay Walker

Moody elected Southern Association Commission Chair

Dr. Nancy B. Moody, president of Tusculum College, has been elected chair of the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges. She is the first woman elected to this position.

Moody has served on the SACSCOC board since 2012 and was appointed to the Executive Council in 2014. Additionally, Dr. Moody holds the distinction of being the first chair of the Tennessee Independent Colleges and Universities Association Board of Directors, the first female president of Lincoln Memorial University and the first female president of Tusculum College.

As chair of the SACSCOC Board of Trustees, Dr. Moody will preside at all meetings of the Executive Council, the SACSCOC Board of Trustees and the College Delegate Assembly. She will be responsible for the appointment of persons to fill vacancies on the Board of Trustees and make committee appointments. She remains a member of the Board of Trustees as well.


Moody has served the students of Tusculum College as president since 2009, leading the college into a new era of growth and expansion, in terms of bricks and mortar, academic programs and fiscal responsibility.

During her tenure, she was instrumental in securing a \$45 million Community Facilities direct loan for the construction of two new apartment style residence halls, a science and math facility and refurbishment of an existing academic building. Moody led efforts that secured a \$3.875 million gift for the naming of the Ronald H. and Verna June Meen Center for Science and Math, completed in 2016, as well as numerous grants and gifts to support the Tusculum First capital campaign.



Nancy Moody

Bays named to THCA Board

The Tennessee Health Care Association (THCA) has named Nyda Bays, administrator of Lakebridge, A Waters Community in Johnson City, to its Board of Directors for 2016-17. Bays joins the other board members in directing the organization as it works to enhance the ability of its members to provide essential long-term care services for the elderly and disabled through education, advocacy and leadership. 



Nyda Bays

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Clearing the Air at the EPA

By Morgan Griffith

President-elect Donald Trump's appointment of Scott Pruitt to lead the Environmental Protection Agency (EPA) is welcome news. As Oklahoma's attorney general, Pruitt has strongly pushed back against many rules and regulations coming from Washington, D.C. In particular, he has led states in suing to block the EPA's overreaching policies.

Many in the media report this news with shock. They wonder how someone "CURRENTLY SUING" the EPA could possibly be fit to lead it. I wish those stunned by this appointment would listen to or read the testimony I have heard from EPA officials in Energy and Commerce Committee hearings. What I find stunning is the logic offered by agency officials to justify actions at odds with the plain text of laws passed by Congress.

Take the Clean Power Plan. I have written often in this column about the EPA's claim that it can use the Clean Air Act to force states to create and implement a plan to reduce their carbon emissions. It is bad for coal miners and all consumers of electricity, but it is also bad for the rule of law. Under the Clean Power Plan, the EPA claims it can regulate existing power plants under Section 111(d) of the Clean Air Act, but the EPA already regulates them under Section 112. The problem is that the language of the Clean Air Act prohibits this type of dual regulation, a point that the EPA itself has conceded in the past (before changing its tune).

When famed liberal legal scholar Laurence Tribe, who taught America's first environmental law class and mentored President Obama, testified before the Energy and Commerce Subcommittee on Energy and Power, he stated, "EPA is attempting an unconstitutional trifecta: usurping the prerogatives of the States, Congress, and the Federal Courts – all at once. Much is up for grabs in this complex area. But burning the Constitution of the United States – about which I care deeply – cannot be part of our national energy policy..."

The EPA cited the Clean Air Act in another power grab, this time to regulate truck trailers. The law authorizes the EPA to regulate emissions from motor vehicles, defined in the US code as follows:

42 USC 7550(2)

The term "motor vehicle" means any self-propelled vehicle designed for transporting persons or property on a street or highway.

When I asked EPA official Janet McCabe how a trailer could be considered a self-propelled vehicle, she claimed that trailers are covered because, "without a trailer, a truck is not transporting goods." Based on this logic, because trucks don't currently drive themselves, the EPA could regulate the size of the driver, too!

On a number of occasions during the current administration, the courts have found that federal agencies exceeded their authority in making rules. The fact that this has happened repeatedly tells me that many of the lawyers employed by the federal government are not doing their jobs.

Lawyers employed by the federal government should not evaluate proposed regulations by their goal or their supervisors' wishes, but rather by their compliance with the Constitution and the law. I believe that the lawyers for the EPA and other agencies have acted with malfeasance in this regard. When the federal government's lawyers improperly sign off on ridiculous arguments, Scott Pruitt and other state attorneys general have a duty to stand up for the powers the Constitution reserves to the states, just as congressmen have the duty to stand up for the powers delegated to the legislative branch.

As EPA administrator, Scott Pruitt's first task should be to clean house in the EPA's Office of General Counsel, which provides legal advice to the agency.

Under its present leadership, the EPA apparently believes that it's better for a thousand people to lose their jobs than for a single tree to be axed or one chunk of coal to be burned. We need the EPA to balance protecting our environment without destroying our economy. As the Supreme Court ruled in *Michigan v. Environmental Protection Agency*, it should not pursue an environmental agenda at all costs.

The EPA must also recognize that it should carry out the laws passed by Congress, not rewrite them or create new ones.

Scott Pruitt has shown that he understands the proper role of the EPA. He is an excellent choice to lead the EPA and I urge the Senate to confirm him promptly.

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

Morgan Griffith (R-Va.) represents Virginia's ninth congressional district in United States House of Representatives.



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