



# BUSINESS BRIEFS

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### Pennsylvania's Center for Trade Development Selected for Program Excellence Award

The National Association for Small Business International Trade Educators (NASBITE) recently announced Pennsylvania's trade promotion program as their Program Excellence Awardee for 2010.

The 2010 Program Excellence Award recognizes specific programs developed by institutions and organizations to meet a particular identified need regarding international trade. The Center for Trade Development (CTD) submitted a proposal; *A Performance Metrics Regimen for State Export Promotion Programs*, which detailed the methodologies developed to track, measure, and supervise activities throughout the 10 Regional Export Networks and 24 PA overseas trade offices.

The quantitative-based performance metrics system serves the needs and requirements of one of the largest international trade networks in the country. The program has allowed for the establishment of distinct but complimentary roles of all involved in an effort to maximize the potential of the trade promotion program and client companies utilizing the programs and services.

CTD's proposal highlights how the program operates, but also focuses on the impact it has had on bottom-line results for the Pennsylvania exporting community. It suggests that if more states adopted some or all of these performance measures, it could serve as a means to better demonstrate the return on state investment and help to cushion otherwise large fluctuations in funding and support. Additionally, the proposal emphasizes that the performance metrics could function as the basis for the creation of a national standard for state trade promotion programs.

Pennsylvania is the premier state for export assistance. SEDA-COG serves as the Regional Export Network for the 11 central counties of PA. This partnership between the CTD and SEDA-COG has supplied Central Pennsylvania exporters with first-rate export support and has resulted in over \$50 million in export sales credited to our assistance in 2009. Statewide REN assistance in 2009 resulted in over \$332 million in export sales.

For more information about the Center for Trade Development, visit their website at [www.newpa.com/trade](http://www.newpa.com/trade). For more information about the SEDA-COG Export Development Program, visit [www.seda-cog.org/export](http://www.seda-cog.org/export).



### Export Development Program Announces Two New Services!

The SEDA-COG Export Development Program is offering two new services to help companies remain compliant with U.S. Export laws and regulations.



The Customer Screening Solution can assist PA companies with export compliance and due diligence requirements. This simple and expedited way to screen customers, freight forwarders, brokers, or individuals will help protect your company and prevent any transactions with a denied party.

Our daily updated program provides an audit trail with a detailed report for internal use at only \$20 per screening. To help us demonstrate the value of this new service, we are offering your first screening free of charge.



The new Center for Trade Compliance offers companies in the SEDA-COG region comprehensive export compliance consulting and assistance through a partnership with Team WorldWide. Support by phone, fax, or email is free of charge, offset by funding provided by SEDA-COG.

To learn more about our exciting new offerings, please visit our website at [www.seda-cog.org/export](http://www.seda-cog.org/export) or call us at (570) 524-4491.



### Region's Railroads Look to the New Year

Business is expected to be very good on Central Pennsylvania's five short line railroads this year as new commodities replace or supplement old ones and there is increased use of new facilities. In some respects activity on the five lines reflects national trends and issues relating to energy conservation and development. The railroads are owned by the SEDA-COG Joint Rail Authority (JRA) and operated by the North Shore Railroad Company.

*Juniata Valley Railroad (JVRR)**Burnham-Lewistown-Maitland*

Last year — like every year — business increased on the Juniata Valley line. It was the first full year for First Quality Baby Products, located near Lewistown. While First Quality Baby Products is a major customer on the line, the JVRR's biggest customer remains Standard Steel in Burnham. The company produces forged railroad wheels and axles for commuter rail lines, freight rail cars, locomotive repair shops, and urban transit systems. "There's a good mix of companies on the Juniata Valley line," according to Todd Hunter, Director of Marketing, North Shore RR Co. He anticipates another good year on the railroad in 2010.

*Lycoming Valley Railroad (LVRR)**South Avis-Williamsport-Muncy*

"Wow, what a year," is Hunter's general assessment of 2009's business activity on the Lycoming Valley Railroad line. Business was booming, primarily due to the Marcellus Shale, a massive geologic formation, rich in natural gas, and underlying large portions of Clinton and Lycoming counties. The LVRR shipped its first Marcellus-related carload in 2008. By October '09 it was hauling 300 cars a month — various sizes of pipe, drilling lubricants, and a tremendous amount of the special "frac" sand used to fracture the shale and release the natural gas. In all, 14 Marcellus-related companies are shipping on the Lycoming Valley line and more business is expected in 2010.

The Railroad Company is working with local agencies and the JRA to identify additional rail-served property to accommodate the expected increase in Marcellus-related business. The property must be adequately accessible to trucks and vehicular traffic as well as rail. The biggest growth commodity in 2010 will be pipe used in the drilling process, particularly as the gas exploration companies employ "spider wells," a method whereby several wells emanate from one drilling pad.

"Nationally," said Hunter, "traffic on short line railroads was down about 30% in 2009. We did much better than that, primarily due to business related to the Marcellus Shale. In the future we expect its impact to extend well beyond the Lycoming Valley rail line's service area as more companies begin locating outside the Williamsport area. Williamsport is currently the geographic focus of Marcellus-related business, and rail-served properties there are getting snatched up."

Growth on the Lycoming Valley Railroad is also expected as a result of new customers who are not directly related to Marcellus Shale gas development. In November 2009, the JRA opened a \$4.1 million bulk transfer facility at its Newberry rail yard in Williamsport. This new bulk intermodal terminal, operated by Bulkmatic, has already outgrown its capacity. The terminal handles plastics, food products, and other bulk commodities. Also, a new ethanol transload terminal is planned for the Newberry yard. Another proposed project is a new, large Moran Logistics warehouse facility, the second in the Williamsport area. Site preparation is underway for this latest rail-served project.

*Nittany & Bald Eagle Railroad (NBER)**Tyrone-Lock Haven-Bellefonte-Pleasant Gap*

Big changes are expected on the NBER, primarily due to the Whiterock Quarry Track near Pleasant Gap, Centre County. A new rail branch line and yard tracks for loading, unloading, and storage were installed for the movement of limestone aggregate. The site is owned by G.O. Hawbaker, Inc. Over the last year, however, the site has also been used for the transport and storage of rock salt, coal, and liquid asphalt, creating a significant increase in traffic and revenue on the line. In fact, 45% of traffic on the Nittany & Bald Eagle is attributed to the Whiterock Quarry. Low track capacity at the Quarry and on the NBER in general remains an issue, although there is space to increase track capacity at Whiterock by 50% and storage by more than 100%.

Paper products remain a steady commodity on NBER, unlike general trends in the paper industry nationally. Carloads of scrap paper are going into the American Eagle Mill at Tyrone; and the rail line also serves Smith Eagle, a paper warehouse and distribution center; and First Quality Tissue at Lock Haven. There is also rail-related economic growth in the Mill Hall area where, eight years ago, just two customers each had a single railroad siding. Today there are five sidings in the area, serving three rail customers.

*North Shore Railroad (NSHR)**Northumberland-Berwick*

The North Shore line will continue to benefit from the mix of commodities it ships. Generally, if the market is down for one, it's up for another. Lumber was down in 2009; chemicals and agricultural products were up. Traffic for scrap steel and plastics was steady. The last two years have been very good on the NSHR and continued success is anticipated in 2010. At least one company on the line has expanded and several others are exploring expansion projects. According to Brigid Malek Rich, North Shore's Manager of Marketing & Car Hire, "We're working with several new prospects."

*Shamokin Valley Railroad (SVRR)**Sunbury-Mount Carmel*

The Shamokin Valley line continues to be the biggest challenge among the Joint Rail Authority's five lines. While the long range picture may be brightening, little change is expected in 2010. There are five customers on the line. Commodities shipped on the SVRR include anthracite coal, pulp, plastics, and feed and grain.

A change in plastics suppliers will increase traffic a bit, but the market for coal is linked with the steel industry, which has not been doing well, an issue exacerbated by the lack of rail sidings at many steel companies and a great deal of competition from trucks. Shipments of feed and grain are also down, because the market for chicken currently exceeds demand. Looking long term at the Shamokin Valley line, activity may increase as the SEEDCO Industrial Park in Coal Township is developed.

SVRR illustrates the value of a five-line rail system. On its own the Shamokin Valley line would likely be in jeopardy. Currently there isn't enough business to fully support the marketing and administrative staff needed to operate the line, much less meet the cost of locomotives and rail cars. As part of a system with four other lines, however, SVRR can grow and develop, sharing resources with the more successful railroads within the system.

As they ponder the future of rail freight, Hunter and Rich look to growth in trans-load, bulk transfer, and intermodal facilities where large loads of material are shipped in by rail, then loaded onto trucks which deliver to end users. "The future in freight movement," said Hunter, "is rail for the long haul and trucks for the short haul."





## "Financing Your Energy Project" Seminar to be Held

Register now for the Energy Resource Center's Energizing Our Region breakfast seminar on Friday, March 5th. **Dan Griffiths**, PA DEP Deputy Secretary for Energy and Technology Deployment, will present the available and pending federal and state energy-related financial incentive programs being offered in 2010 through Commonwealth grant, loan and tax incentive programs.

Over the past year, the Commonwealth has awarded a large portion of the available \$650 million in state-financed initiatives and \$390 million in federal economic stimulus funds to advance its energy program for businesses, local governments, schools, hospitals, non-profits, energy producers and homeowners. Additional federal and state financial incentives will be made available in 2010, primarily through existing and some new state funding streams, for energy projects ranging from manufacturing of alternative energy products to energy conservation activities.

Don't miss this opportunity to become informed about the financial incentives available to reduce your facility's energy use or invest in alternative energy technologies. Also, manufacturers and construction trade members should not miss this opportunity to "follow the money" to new sales, product and project development and job opportunities inherent in the energy-related \$1 billion being cumulatively invested in PA through state and federal programs.

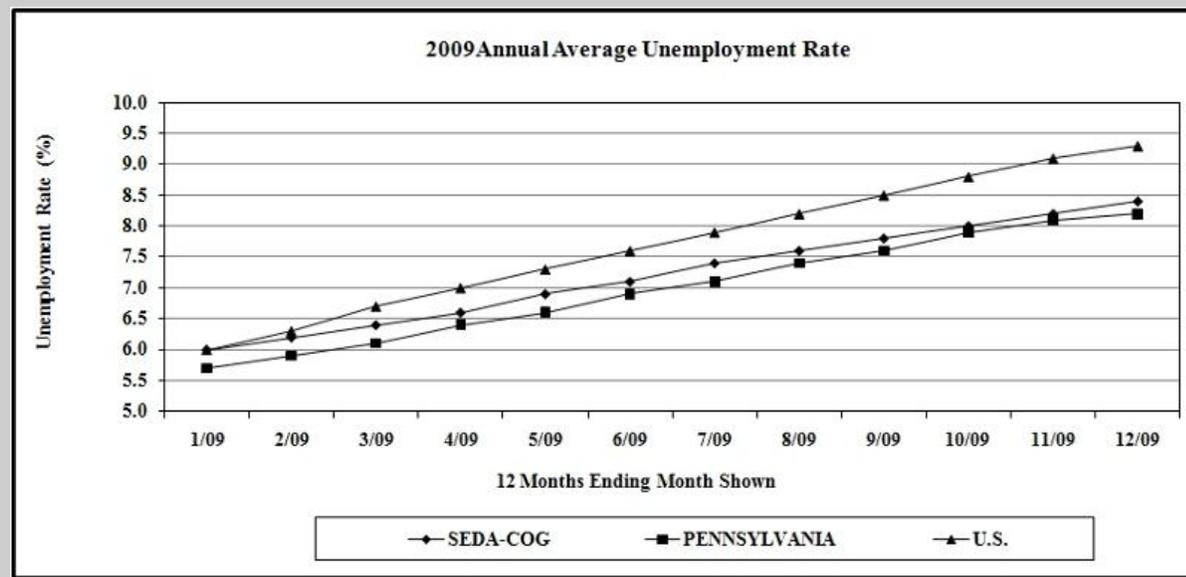
Visit the ERC's website at [www.seda-cog.org/energy](http://www.seda-cog.org/energy) for more information and to register.



## Energy Financial Assistance Now Available

Interested in Energy Financial Assistance? Need technical assistance with a particular energy-related loan or grant? SEDA-COG now offers assistance to businesses interested in pursuing grant and loan opportunities for renewable energy and energy efficiency and conservation projects.

For more information about the types of financial assistance services SEDA-COG can provide, contact Betsy Lockwood at [lockwood@seda-cog.org](mailto:lockwood@seda-cog.org) or Ray Haden at [rhaden@seda-cog.org](mailto:rhaden@seda-cog.org) or by phone 570-524-4491.



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