



# BUSINESS BRIEFS

## Economic Development News from Central Pennsylvania

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### Companies Face High-Speed Electronic Changes

Electronic communication and bidding on contracts can save time and be a great convenience, but it has its own set of challenges. That was the dilemma facing Susquehanna Fire Equipment Company when the firm responded to a contract opportunity from the Pennsylvania Department of Emergency Management.

The firm, located in Dewart, Northumberland County, learned of the opportunity late last year through the SEDA-COG Procurement Technical Assistance Center (PTAC). The Pennsylvania Emergency Management Agency's Region 13 Task Force was seeking firefighting equipment including coats, pants, helmets, hoods, and gloves.

"We deal with all types of government agencies," says Max Foust, the company's president, "We work with commercial and industrial firms, fire companies, and municipalities, but we haven't had much experience responding online to bid opportunities."

Susquehanna Fire Equipment has a long relationship with SEDA-COG, through Procurement and other

## Unemployment Rate

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programs. It has primarily worked with Kristen Moyer, a staff person in the PTAC. After reviewing the company's bid package, Moyer outlined various issues and concerns that had to be addressed, and worked through them with the company. She also contacted purchasing agents at the state office in Harrisburg for information about completing various forms. Finally Foust and Moyer went through the company's bid submission step-by-step on the Pennsylvania Supplier Portal website.

Robert Brown, Director of SEDA-COG's Procurement program says Susquehanna Fire Equipment's experience is not uncommon. "Increasingly," he said, "the Commonwealth and government entities at all levels are using electronic communications for contract proposals, reporting requirements, and general information distribution. But the systems they use may not be particularly intuitive, and instructions can be hard to locate."

With help from Moyer and SEDA-COG, Susquehanna Fire Equipment was able to successfully complete the online bid proposal. Soon after, the Commonwealth issued a purchase order to the company in the amount of \$225,571 for turnout gear. "Words can't express the quality of assistance we received," Foust said, "SEDA-COG's Procurement Center is very professional, gets back to us right away, and gets the information we need."

As for the future of online communication with both the state and federal governments, Brown expects, if anything, it will increase. "That's the direction the world is moving," said the Director of SEDA-COG's program, "It's efficient and saves time. Occasionally, however, someone with a quality product to offer may be unable to navigate certain online processes. That's where we can help. All they have to do is call us."



## **DCED: National Think Tanks Point to Pennsylvania as Way for Other States to Boost Exports, Create Jobs**

*Article below reprinted with permission from the Department of Community and Economic Development (DCED).*



Two leading think tanks are highlighting Pennsylvania's export strategy as an example of how other states can benefit when they help companies find new markets, increase sales and create more jobs.

The Brookings Institute and Rockefeller Center's "Boosting Exports, Delivering Jobs and Economic Growth" report says Pennsylvania has enjoyed success because it has "a successful performance measurement program" that helps to ensure programs are delivering results.

March 4, 2011

NAFTA Training -  
March 15, 2011

International  
Hardwood Buyers  
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2011

## Interested in Energy Financial Assistance?

Need technical  
assistance with a  
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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  
[elockwood@seda-cog.org](mailto:elockwood@seda-cog.org)  
or Ray Haden at  
[rhaden@seda-cog.org](mailto:rhaden@seda-cog.org)  
or by phone at  
570-524-4491.

"We're very pleased that Brookings highlighted Pennsylvania as a success story and recognizes that the Corbett administration has positioned the commonwealth on solid ground with its export strategies," said Department of Community and Economic Development acting Secretary C. Alan Walker. "By listening to what Pennsylvania companies want, we are able to help them achieve impressive results."

The state's World Trade PA program helps Pennsylvania companies find new markets in other countries and helps foreign companies find locations in Pennsylvania to grow their businesses in North America.

Despite a sagging economy in 2009-10, World Trade PA, which is housed in DCED, registered state-assisted export sales of \$483 million and foreign direct investment of \$161 million for a total impact of \$644 million, or \$71 million more than the previous fiscal year. Last year, the program supported 6,400 Pennsylvania jobs and generated \$63 million in state and local tax receipts.

According to Brookings, Pennsylvania's performance measurement system "has paid off in terms of return on state investment."

"We are helping Pennsylvania companies find new markets in other countries because we set goals and listen to them," said DCED Deputy Secretary for International Business Development Wilfred Muskens. "Our level of performance shows that our strategy is working."

Twice a year, state officials meet with Pennsylvania organizations involved in export assistance, such as the U.S. Export Assistance Center, Small Business Development Center, and the Pennsylvania Chamber of Business & Industry, to coordinate efforts and avoid overlap.

In addition, the commonwealth has published a "Pennsylvania Guide to Exporting" to give companies a list of contacts and resources for getting started in expanding their businesses outside of the United States.

*SEDA-COG's Export staff can provide you with free assistance in assessing your products' export potential, identification of potential foreign markets for your product development, and Market Access Grant preparation. We also provide technical information on product packaging, shipping and documentation, product classification, country statistics and cultural backgrounds, foreign standards, regulations and tariffs, methods of payment, product/country-specific market research, Incoterms, and export compliance. The Export Development Program serves as liaison between client companies and our network of 23 PA Authorized Trade Representatives around the globe.*



## Rural Pennsylvania Pursuing High-Speed Internet



"Build a better mousetrap, the world will beat a path to your door." Offer someone access to high speed Internet service, they'll sign your petition. That's what Leroy Hibbs found when he started the process to bring high speed service — broadband — to his home near Middleburg in rural Snyder County.

The process is the Bona Fide Retail Request Program and its part of the Pennsylvania Telecommunications Act. In most cases, if enough customers — 50, or 25% of the phone lines, whichever is less — in a carrier serving area commit to at least one year of broadband service, the company must make it available within 365 days.

Hibbs is a retired school teacher, having taught agriculture classes at Selinsgrove High School for many years. Since then he's been in the real estate business, doing property appraisals, and has continued a tax preparation service he started in 1961. He's been on the Internet for over ten years, using phone-based dial-up service which he describes simply as "...slow, slow, slow..." But high-speed service isn't available; not where Hibbs lives.

For many people, the lack of broadband service isn't just an inconvenience; it's an economic hardship. As an income tax preparer, Hibbs must file completed tax returns electronically. Try doing that over Internet service that's "...slow, slow, slow..." Now try doing it with the hundreds of tax returns Hibbs does.

That's what motivated Hibbs to ask SEDA-COG for assistance. For years, SEDA-COG has been working with people in some of the most rural areas of Central Pennsylvania, communities near Catawissa, Landisburg, Trout Run, and Newport, helping residents and their neighbors gain access to broadband service.

Step one in the process is identifying carrier serving areas (CSA), a complex term relating to digital loop carriers, analog lines, and population densities. SEDA-COG provides maps and address lists delineating phone companies' CSAs. Without the map or list it's nearly impossible to determine who is and is not in a particular area.

Armed with the map of his CSA, Hibbs began visiting neighbors in Centre, Franklin, and Middlecreek townships. Before long he had the 28 signatures he needed. In fact, sixty people actually signed the petition;

sixty people committing to buy broadband service when it is made available.

Then Hibbs took a look at the CSAs around him, thought "why not?," and started gathering more signatures, visiting homes in Jackson and Washington townships. In all he covered nearly a hundred square miles and ended up with 150 signatures. "I can't believe how people thanked me," the former teacher said. One neighbor offered to help and took petitions around. They've since been turned in to SEDA-COG which will forward them to the appropriate phone company.

It may take awhile for the phone company to respond. While the law says Internet service must be made available within 365 days, the company can get an extension if there's too much demand, and demand has been very high according to Jim Baker, Chief, SEDA-COG Information Technology Group. "There are 40 CSAs on the official waiting list," said Baker, "and another 60 just waiting to get on the waiting list." But Baker said it is important that rural areas move forward in their efforts to secure access to broadband service.

"The lawmakers in Harrisburg and Washington have a big part to play in this," Baker said, "Every time another petition is completed and turned in, it's more evidence that rural areas want broadband service now."

Baker invited people living in rural areas to contact him about broadband-related assistance if they are unable to get high speed Internet service from their phone company. He can be reached at 570-524-4491 or [jbaker@seda-cog.org](mailto:jbaker@seda-cog.org).

*Are you located in a community with little or no access to broadband? [Fill out this short survey](#) so that we will be better able to serve you.*



## Refinancing for Small Businesses Now Available Through the SBA



Starting February 28, 2011, the U.S. Small Business Administration's (SBA) 504 loan program will begin accepting applications for refinancing of existing qualified real estate debt for small business owners who are facing impending balloon payments before December 31, 2012.

SEDA-COG, along with other Certified Development Companies, or CDCs, are the SBA's conduit for providing 504 loans. The ability to use a government-guaranteed 504 loan to refinance an existing commercial

real estate debt was authorized under the Small Business Jobs Act, but it is a temporary program that will expire on September 27, 2012.

SBA 504 refinancing loans will be structured like a traditional 504 loan. A bank or third party lender provides at least 50% of the loan, the SBA - through a CDC -provides up to 40% of the loan and the small business borrower must provide equity of at least 10%. This equity may be drawn from the existing asset valuation, rather than new cash injection.

Borrowers will be able to refinance up to 90% of the current appraised property value or 100% of the outstanding mortgage, whichever is lower, plus eligible refinancing costs. Loan proceeds may not be used for other business expenses, and existing 504 projects and government-guaranteed loans are not eligible to be refinanced. SBA is expected to issue further regulations to fully implement the legislative directive to enable borrowers to use excess real estate equity for working capital in their businesses.

For more information check out the [SBA's PowerPoint presentation](#) or better yet, give the Finance Department a call at (570) 524-4491 to see how we may be able to assist in a refinancing deal.

