

# Office of Congressman J. Randy Forbes

Representing Virginia's Fourth Congressional District

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# Memorandum

on Jobs



**To:** CITIZENS OF VIRGINIA'S FOURTH DISTRICT

**From:** OFFICE OF CONGRESSMAN RANDY FORBES

**Subject:** JOBS IN VA-04

## *Real Solutions, Real Growth, Real Jobs*

Congressman Forbes believes there is a simple truth when it comes to job creation in America: **real solutions** create **real growth** that generates **real jobs**. In order to make this happen, government needs to get out of the way and provide the freedom for small businesses to work, earn, and achieve. We can do that in a few ways:

- 1. Repeal job-crushing regulations**, including the job-crushing healthcare mandate being forced on small businesses. *H.Res.72, H.R. 2587, H.R. 2924*
- 2. Overhaul our tax system** to one that is simple and fair by eliminating unfair loopholes and reducing the tax burden on small businesses. *H.R. 462, H.R. 1040, H.Con.Res.112*
- 3. Fuel America by breaking dependency on foreign oil** through domestic drilling, opening the Keystone Pipeline, and encouraging new sources of energy through the New Manhattan Project. *H.R. 1230, H.R. 1938, H.R. 301*
- 4. Increase access to capital for small businesses** to encourage job growth and job creation. *H.R. 2940, H.R. 2930, H.R. 1070, H.R. 1965*
- 5. Reinvigorate American manufacturing** by creating a national manufacturing strategy and bringing outsourced jobs back to the United States. *H.R. 516, H.R. 1366*

**All across Virginia's Fourth District, we have industries that are ripe for growth.** The following case studies provide examples of how industries in Virginia have flourished when we've applied that simple truth. The case studies also show the **potential for even more growth** when government acts as an *enabler* rather than a *barrier*.

*Did you know? Of the 21,300  
businesses in Virginia's Fourth  
District, over 11,000 have  
four employees or fewer.*

## Defense Jobs and Defense Manufacturing

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**Virginia's Active Duty, Defense Civilians, and Defense Contract Jobs.** Virginia's Fourth District and the surrounding region comprise some of our nation's most important military assets and installations. Fort Lee directly employs 12,000 active duty members and civilians and Norfolk Naval Shipyard, NAS Oceana, and Naval Station Norfolk together directly employ over 18,000 active duty members and civilian jobs. There are over 120,000 defense related jobs in Hampton Roads. Looming defense budget cuts could potentially devastate our economy and will most certainly be felt in the Fourth District. Under defense budget "sequestration," 122,900 defense-dependent jobs will be lost in Virginia, according to a [new study](#) on the Aerospace and Defense Industry by consulting and auditing services company DeLoitte. Nationwide, conservative estimates of 500,000 defense job losses would exceed the number of unemployed individuals in West Virginia, New Mexico, Maine, Nebraska, Montana, Hawaii, New Hampshire, Delaware, Alaska, South Dakota, Vermont, Wyoming, and North Dakota combined. Congressman Forbes is Chairman of the House Armed Services Readiness Subcommittee and has positioned himself as a national leader in ensuring a strong defense and a strong America.

*There are over 120,000 defense related jobs in Hampton Roads.*

**Preventing a Carrier Move to Mayport.** For more than four years, Congressman Forbes has worked with his Hampton Roads colleagues to fight the Navy's attempt to move a nuclear aircraft carrier to Florida, a decision that was made without providing lawmakers any compelling national security rationale. Historic fiscal challenges and the devastating prospect of a trillion dollars in defense cuts have only bolstered his argument that such a move would not just be strategically unnecessary, but also fiscally irresponsible. Just this year, the Navy announced that it has called off these plans, which is a tremendous victory for the citizens of Hampton Roads, who proudly provide vital industrial services to our nation's Armed Forces. Several [reports](#) have cited the estimated economic impact on Norfolk, Virginia, if a carrier is moved to Mayport, Florida, ranging from a low of \$650 million to \$1 billion annually and some reports put the earlier loss of the aircraft carrier George Washington at \$450 million in payroll and 8,200 military and civilian jobs.

*Preventing a Norfolk carrier move to Mayport stopped a potential \$1 billion hit to the Hampton Roads economy and keeps 8,200 military and civilian jobs.*

**Fort Lee.** Congressman Forbes and his Fort Lee Advisory Council in partnership with localities fought to grow Fort Lee through the 2005 BRAC round. Fort Lee was initially targeted for closure, but as a result of the efforts of Congressman Forbes and his Fort Lee Advisory Council, Fort Lee and the surrounding communities are benefitting from a doubling of the assigned personnel to the base as well as an estimated 4,425 indirect non-governmental base support and service industry jobs. Randy Forbes was instrumental in bringing \$100 million in new investment to the installation and all total the federal government is estimated to spend \$400 million in base upgrades.

*Fort Lee and the surrounding region gained 11,769 jobs.*

**Modeling & Simulation.** As co-founder of the Congressional Modeling and Simulation Caucus, Congressman Forbes has championed the benefits of modeling and simulation. He has worked with lawmakers and industry in an effort to promote the development of this high-tech tool in a growing number of fields and specialties. Modeling and simulation [brought](#) over 5,000 jobs with averaging salaries of \$83,000 and **an economic output of \$365 million to Hampton Roads.** Congressman Forbes fought to save local jobs in light of the Joint Forces Command closure, helping retain half of JFCOM's employees in Hampton Roads, including a majority of JFCOM's modeling and simulation operations.

*Modeling and simulation employs 4,800 individuals in Hampton Roads.*

**Shipbuilding and Ship Repair Industries.** The shipbuilding and ship repair industry in Virginia employs more workers than any manufacturer in the Commonwealth. **The Norfolk Naval Shipyard has 9,059 employees and is the 4th largest employer in Hampton Roads. Huntington Ingalls employs nearly 20,000 employees in Virginia, making the private shipyard the Commonwealth's largest employer.** As Chairman of the House Armed Services Readiness Subcommittee, one of Congressman Forbes' highest priorities is supporting measures to build the overall health of shipbuilding and repair industries and calling for a robust shipbuilding plan. He has fought to increase funding for the Navy's ship maintenance accounts this year by \$150 million and worked to provide nearly \$75 million for modernization and improvements to Norfolk Naval Shipyard.

**Defense Supply Center.** In the 2005 BRAC round, Congressman Forbes was successful in fighting to keep the Defense Supply Center in Richmond open. Today, the Defense Supply Center has expanded its personnel by 20% and has an economic impact in the region of over \$225 million a year.

**Commissaries.** The Administration targeted commissaries and exchanges for potential defense spending cuts. Congressman Forbes stood up for commissaries because they provide valuable benefits for our service members and their families. He sent a [letter](#) to the Secretary of Defense requesting support for commissaries and exchanges. **There are 880 commissary personnel in Virginia's Fourth District with annual salaries of \$86.2 million.**

*Norfolk Naval Shipyard, NAS Oceana, and Naval Station Norfolk directly employ over 18,000 active duty members and civilians.*

## Manufacturing

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**Hopewell Manufacturing:** The Environmental Protection Agency is in the process of imposing new federal environmental regulations that are significantly raising costs on Virginia's manufacturers and localities. The City of Hopewell, a city whose economy relies heavily on the community's manufacturers, is being forced to spend tens of millions of dollars to upgrade its wastewater treatment facility in order to meet new one-size-fits-all federal standards. Companies and major employers in Hopewell include Honeywell International Inc., DuPont, Degussa Goldschmidt Chemical Corporation, and the RockTenn Company. According to the Virginia Employment Commission, these, and other manufacturers in the area employ almost [1,900](#) people in Hopewell, accounting for nearly 25% of those employed in the City. These regulations, if left unchecked, threaten a quarter of the City's workforce, an economic impact that would devastate the entire community.

In response to these federal regulations, Congressman Forbes supported the [Clean Water Cooperative Federalism Act](#) to prohibit the EPA from imposing new federal pollutant standards on states in which the Agency has already approved state standards. This bill would allow communities to work with the Commonwealth, rather than Washington D.C., to ensure that unique economic and environmental needs are being taken into account. In addition, Congressman Forbes sent a letter to the EPA urging the Agency to provide more information to communities on how the government plans to implement and enforce these new standards. Without transparency in this process, these regulations increase uncertainty for Virginia's employers, stifling job creation and threatening job loss.

*Congressman Forbes has been awarded the "Guardian of Small Business" award by the National Federation of Independent Business and the "Spirit of the Enterprise Award" by the U.S. Chamber of Commerce for his work on behalf of businesses.*

**Rolls Royce.** Congressman Forbes championed the construction of an interchange at I-295 at Crosspointe Park. As a result of the new interchange, Rolls Royce announced the official opening of its facility in Prince George County, investing \$170 million to manufacture discs for some of the company's most advanced civil aerospace engines.

The opening will create 130 jobs and Rolls-Royce expects future growth in Virginia to generate a total of [500 jobs](#).

*Rolls-Royce expects future growth in Virginia to generate a total of 500 jobs.*

**Government Regulation of Boilers.** Any manufacturing company that uses boilers, process heaters, or incinerators would be impacted by new EPA emissions standards or Maximum Achievable Control Technology (MACT) standards. Manufacturers in the paper and foresting industry will be

especially hard hit; however, this regulation will also hit schools, hospitals, and an enormous number of mid-to-large scale manufacturers. Compliance will require the installation of expensive new mitigation technologies like scrubbers, fabric filters and replacement burners. The EPA estimates that these new standards would have initial capital costs of \$5.4 billion with annualized costs of nearly \$1.5 billion. Congressman Forbes has cosponsored the EPA Regulatory Relief Act (H.R. 2250) to block the Boiler MACT standards from taking effect and would give the EPA 15 months to reexamine and re-promulgate new standards with an achievable compliance deadline.

**Government Regulation of Utilities.** The EPA has issued a new rule for the emissions standards of power plants or "electric generating units." These new standards require lower emissions of mercury and other air toxics. These new standards are primarily targeted at coal power plants that have a higher output of mercury. Compliance with the new standards requires significant investment, often prohibitively expensive, resulting in the expected closure of a number of coal plants nation-wide. These closures include the Dominion Power Plant in Chesapeake resulting in a loss of 145 jobs. Congressman Forbes supported the Transparency in Regulatory Analysis of Impacts on the Nation (TRAIN) Act (H.R. 2401) to require cumulative analysis of EPA rules like the Utility MACT.

*Congressman Forbes has been recognized by the National Association of Manufacturers for his legislative work on behalf of American manufacturers.*

**Titan American and Roanoke Cement.** New EPA emissions standards for the manufacturing of cement are expected to affect approximately 100 cement plants nationwide. Increased costs and regulatory uncertainty in the cement market could result in thousands of American jobs being moved overseas. The EPA estimates that these new standards will cost over \$2 billion for the industry and reports are that these standards have already delayed the creation of new jobs. Titan America, one of the largest cement companies in the Eastern United States, employs 1,500 people in Virginia, with 112 of them working in Virginia's Fourth District. Congressman Forbes is fighting to save these vital jobs by supporting the Cement Sector Regulatory Relief Act (H.R. 2681) to require further analysis of this costly new regulation.

*Congressman Forbes is fighting to save jobs that could be lost as a result of new EPA emissions standards.*

## Distribution and Call Centers

**General Dynamics.** Since 2003, Vangent, now General Dynamics, has employed over 1,000 individuals in Chesterfield County to operate the 1-800-MEDICARE program and provide information to beneficiaries and caregivers regarding their benefits. A few months ago, the Department of Health and Human Services (HHS) decided to eliminate the open, competitive bidding process currently in place for the 1-800 MEDICARE call

*As a result of Congressman Forbes' work, 1,084 employees in Chesterfield will be able to fairly compete for their jobs.*

center contract won by General Dynamics (the current contract is worth \$2-3 billion and terminates in 2013.). If implemented, this proposed change in policy would have resulted in the loss of 1,084 jobs for those currently employed in the Chesterfield General Dynamics Information Technology facility, which has been in operation since 2003.

Congressman Forbes fought for the opportunity for General Dynamics and others to fairly compete for the contract. He sent a [letter](#) to HHS requesting explanation for the decision to move to the GSA schedule contract and made personal request to the Chief of Staff for HHS Secretary Sebelius, in addition to holding a [listening session](#) and site visit. A few weeks after these, HHS [announced](#) an open process for the contract, **saving a potential 1,084 jobs in Chesterfield.**

**Amazon.** Late last year, Amazon announced plans to open two fulfillment centers in Virginia, investing a total of \$135 million. The company will invest \$85 million and create more than 1,000 jobs in Chesterfield County and invest \$50 million in Dinwiddie County, creating more than 350 jobs. Critical to bringing these jobs to Chesterfield and Dinwiddie was the opening of the new Meadowville interchange and a 1,300 acre Meadowville

*Did you know? Amazon is bringing 1,350 jobs to Chesterfield and Dinwiddie.*

Technology Park that Congressman Forbes has worked to secure since 2004. Because of his efforts, over \$2 million was secured for the Meadowville interchange, which is one of Virginia's economic development mega-sites; by providing direct access from I-295, the interchange makes the commonwealth more attractive to potential businesses like Amazon.

*Congressman Forbes helped secure the Meadowville Interchange.*

## Livestock and Forestry

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**Tyson Food and Perdue Products.** Virginia is one of the nation's top 10 poultry--producing states. The poultry and egg business is estimated to be worth about \$1 billion a year, and is the state's top agricultural sector, encompassing six processing companies employing about 10,000 people and nearly 1,100 family farms, according to the Virginia Poultry Federation. Unfortunately, trading bans have been imposed by China on poultry products from Virginia, including products shipped from a Virginia port, whether grown or slaughtered in Virginia or not. These trading bans cost us jobs and export opportunities. Congressman Forbes has fought against these unfair trading bans that hurt the industry and those employed by it by sending a [letter](#) to Chinese Ambassador Yesui expressing concern regarding this ban.

*Perdue Products employs over 250 individuals in Prince George County.*

**Smithfield Foods.** Burdensome regulations, such as a rule on the marketing of livestock and poultry, threaten companies in the meat packing industry, like Smithfield Foods. Congressman Forbes has pushed back against these burdensome regulations, sending a [letter](#)

*Did you know? Smithfield Foods and Gwaltney of Smithfield together employ 4,800 in Virginia.*

to the Secretary of Agriculture urging him to reconsider these rules.

*Fact: Virginia ranks 12th among U.S. states in agricultural exports to China.*

## Food Processing

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**Unilever/Lipton Tea and Kraft Foods.** Current U.S. policy regarding the price of sugar results in manufacturers importing products or re-locating plants and factories abroad. An estimated 112,000 jobs were lost in U.S. sugar-using industries between 1997 and 2009. There are fewer than 5,000 sugar farms in the U.S. that benefit from the sugar program, but there are more than 600,000 Americans employed in industries that buy sugar. Congressman Forbes has worked to bolster this vital industry by cosponsoring the Free Market Sugar Act (H. R. 1385) to reform the USDA sugar program so that we can restore competition to the industry and keep jobs here in America.

*Unilever and Kraft Foods together employ nearly 700 individuals in Suffolk.*

**Green Mountain Coffee Roasters.** Green Mountain Coffee Roasters, Inc., a leader in specialty coffee and coffeemakers, will establish a production and distribution facility in Isle of Wight County. The company **will invest \$180 million over the initial five-years** of the facility's operations. GMCR has agreed to purchase a 330,000-square-foot building on a 64 acre parcel of land in Isle of Wight County, where it expects to house coffee roasting, grinding, flavoring, and packaging of its single-serve portion packs for its Keurig® Single-Cup Brewing System.

*Within five years, it is estimated the Green Mountain Coffee Roasters facility will have as many as 800 employees in Isle of Wight.*

**Sabra Dipping Company.** As a strong supporter of American manufacturing facilities, Congressman Forbes has hailed the opening of the new Sabra Dipping Company facility in Colonial Heights, holding [listening sessions and site visits](#) at the facility.

*The Sabra Dipping Company brought 160 jobs to Colonial Heights.*

## Farming

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**From Dust to Dawn, Regulations, Regulations, Regulations.** Burdensome federal regulations - like EPA regulations regarding dust, oil spill prevention, and pesticides – have plagued the farming industry. In order to comply with these new regulations, farmers and ranchers will be required to undertake expensive infrastructure investments, hire engineers, and require new and duplicative permits. The new standards could subject Virginia's farmers to new fines or added compliance costs in order to conduct daily activities like driving down a dirt road or plowing a field. Left unchecked, these possible new regulations could increase operating costs on farms and threaten the thousands of Virginians who work on farms every day.

Congressman Forbes has championed our farming industry and has worked to make sure they are not burdened by duplicative or unnecessary federal regulations. He cosponsored the Farm Dust Regulation Prevention Act (H.R. 1633) and the Reducing Regulatory Burdens Act (H.R. 872) to protect Virginia's farms from government overreach and to prevent the EPA from implementing and enforcing new costly regulation. Additionally, **he joined nearly 100 Members in the House in sending a letter to EPA Administrator Jackson to reconsider these new regulations and their impact to our nation's agricultural producers.**

*Fact: In Virginia's Fourth District, 1,570 people are employed in agriculture, forestry, fishing, and hunting.*

*Congressman Forbes has been awarded the "Friend of the Farm Bureau" award from the American Farm Bureau Federation for his work on behalf of America's farmers.*

**Free Trade Agreements.** [Three free trade agreements](#) are expected to increase direct exports from Virginia alone by \$32.7 million per year. It is estimated that the increased marketing opportunities for Virginia's farmers and ranchers will add 295 jobs to the Virginia economy.

**H-2A Program.** Changes to the H-2A visa program have made the process of hiring foreign workers more difficult for those in the farming industry, creating additional costs and complexity. Congressman Forbes engaged the Judiciary Committee to adjust the American Specialty Agriculture Act to improve and replace the H-2A program.

*Agriculture provides an economic impact to Virginia of \$55 billion annually, with agricultural exports exceeding \$1 billion each year.*

*The American Farm Bureau estimates that passage of the Korea FTA would increase Virginia's exports of poultry by \$1.4 million and soybeans by \$343,200.*

## Energy

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**Domestic energy production.** Domestic energy production remains an industry where there is significant room for growth and job creation. Congressman Forbes has introduced legislation (H.R. 301) that would encourage the development of new energy sources, supported efforts to increase off-shore drilling, and supported opening the Keystone XL Pipeline to reduce our dependency on foreign oil. He **has fought against costly regulations** that have caused companies like Dominion Power to close plants in Virginia.

*Opening new offshore areas for American energy exploration could bring a potential [1,900](#) jobs to Virginia.*

## Shipping, Transport, and Transportation

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**Roadway Construction and Infrastructure.** Transportation and infrastructure projects create thousands of jobs across America and encourage the free flow of goods and products that help support our local economies. Congressman Forbes has championed repealing costly, outdated federal requirements, while continuing to give states and localities flexibility in utilizing federal funding for road and bridge projects. His "414 Plan" **suspends for five years all federal regulations that do not pertain to the safety or durability of highway facilities** or of public and workplace safety. It also expresses the sense of Congress on the need for greater interagency cooperation among project stakeholders to further expedite surface transportation projects.

In addition to his 414 Plan, Congressman Forbes has championed Fourth District transportation projects, like urging state officials to allocate funds to complete the Gilmerton Bridge replacement project; investigated rules and regulations concerning the construction of a New Jordan Bridge; helping to replace the two-lane Deep Creek



AIW Bridge with a 5-lane, dual bascule bridge, thus providing a new structurally sound bridge and reducing traffic congestion along the corridor; assisting in the improvement of U.S. Route 460 in the Petersburg-Hampton Roads Corridor; and improving the Atlantic Intracoastal Waterway Albemarle and Chesapeake Canal to protect the navigation route between the Southern Branch of the Elizabeth River and the VA-NC state line in the North Landing River.

**Dominion Boulevard.** Realizing the benefit to economic and job growth and the benefit to traffic congestion, Congressman Forbes has helped secure significant funding for the Dominion Boulevard bridge replacement project. Dominion Boulevard is one of [16 transportation projects](#) that would expand Virginia's economy by \$4.1 billion and support 56,798 additional jobs.

*Transportation and roadway projects employ 21,000 individuals in Virginia.*

**Virginia's Ports.** The Port of Virginia, which currently ranks as the third largest container port on the East Coast, is one of the largest drivers of the Hampton Roads and Virginia economies, contributing to 343,000 jobs throughout the state. Congressman Forbes supported passage of three new Free Trade Agreements with South Korea, Columbia, and Panama, as well as the reauthorization of the Generalized System of Preferences. These

agreements mean millions of dollars in new exports from the Commonwealth of Virginia and will strengthen Virginia's vital ports, shipping, and transport industries.

*In 2010, Virginia exported \$17 billion worth of goods abroad.*

## Logging Industry

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**Isle of Wight Forest Products.** Last year, [Virginia's exports of hardwood and softwood logs to China were worth more than \\$34 million.](#) However, trading bans imposed by China on softwood and hardwood logs from Virginia threaten this vital industry. Congressman Forbes sent a letter to Chinese Ambassador Yesui expressing concern regarding this ban due to the harm imposed on Virginia exporters and Chinese wood customers.

*Virginia's exports of hardwood and softwood logs to China were worth more than \$34 million.*

## Landscaping Industry

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**Seasonal Employers.** In 2011, the Department of Labor issued a final rule revising how wages paid to H-2B workers are calculated. At a time when companies are struggling to stay in business, this recalculation will cause all H-2B workers' wages to substantially rise. Many employers will be unable to pay these wages and as a result, they will be unable to hire these workers, their work will go undone, and significant revenues will be lost. Importantly, this could lead to the loss of Virginia jobs that are supported by H-2B workers. Congressman Forbes supported the FY 2012 omnibus appropriations bill, which prohibits the Department of Labor from proposing or implementing the controversial H-2B wage requirement rules. In addition to that, he sent a [letter](#) to Appropriations Committee Chairman Rogers and Ranking Member Dicks urging the Committee to protect small and seasonal businesses by including language in upcoming funding measures to rescind this rule.

## Health Care Industry

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**Physicians and Reimbursement Rates.** Physicians and patients are waiting for lasting solutions for accessible and quality care for Americans. One area that must be addressed is preventing cuts in physician payment rates and providing a stable increase in physician reimbursement rates for programs like Medicare. Since 2002, the sustainable growth rate (SGR) formula has annually called for reductions in Medicare reimbursements. Payments were cut by 5 percent in 2002 and the current formula calls for cuts of 29.5 percent on February 29, 2012. Congress has intervened on 12 separate occasions since then to prevent additional cuts from being imposed. Five separate bills were passed to stop a 22 percent cut in 2010 alone. Congressman Forbes has called for long-term solutions to the physician payment schedule.

*Over 34,000 people work in the health care and social assistance industry in Virginia's Fourth District.*

*Chesapeake General Hospital, Sentara Healthcare, Southside Regional Medical Center, Johnston Willis Hospital, Bon Secours Richmond Health System, and Central State Hospital are all among the 50 largest employers in Virginia's Fourth District.*

To learn more about jobs in Virginia's Fourth Congressional District, view this profile created by the Virginia Employment Commission.

<http://www.alex.vec.virginia.gov/lmi/pdfs/communityprofiles/5119000004.pdf>