

House Subcommittee on Health, Employment, Labor and Pensions
Health Care Challenges Facing Pennsylvania's Workers and Job Creators
Testimony of Will Knecht, Wendell August Forge

My name is Will Knecht and I am the President of Wendell August Forge, a family owned business headquartered in Grove City, PA. Since 1923 we have been America's leading manufacturer of metal giftware and commemoratives. I am proud to work alongside 120 fellow employees in our stores and workshops in Grove City, PA; Exton, PA; Berlin, OH; and Wilmington, NC. In my somewhat biased opinion, our artisans are the finest in the world. In the 1940's and 1950's, we had approximately 200 competitors making metal giftware in America. Fortunately for us but unfortunately for America, today, we stand alone as the last metal giftware company still making all of our products 100% in America. Many great companies have simply closed their doors or off-shored their production to China, Mexico, and India. In fact, just yesterday I received an email from a gentleman in Ohio who represents a factory in China where they believe they can make our giftware much cheaper than we are able to domestically.

As we focus today on challenges facing Pennsylvania companies regarding health care, I'd like to make 2 points relative to our company:

- 1) It is our desire that every employee that works with us is afforded an opportunity to receive health care during their employment with us – but we have found no cost effective way to cover our part-time workers
- 2) The issue facing our company is the continuing escalation in our health care costs as we are competing with foreign products which dominate our industry

I believe that we as a nation are about to walk into an unknown abyss that humbly I believe our country will face with the full effect and implementation of the 2010 health care bill in 2013-14. The fact that the Congress in 2010 delayed implementation of most of the provisions of the bill until after the 2012 Presidential election is another example of passing the buck and pushing back the burden for immediate political gain and expediency.

The sheer monstrous size of the bill intimidates most Americans and provides so many unknowns for the business community, it is scary. To paraphrase then-

Speaker Pelosi during the voting on the bill in the House “We have to pass it so we can read it.” In other words, no one really knows all of the tentacles of this bill and that is bad for America and bad for business. This was clearly demonstrated over the past few weeks as the abortion funding mandate has been front and center of the national discourse.

As a businessman, this is what I assume will be the impact to our company:

- Higher taxes
- More regulation, more mandates
- More uncertainty
- More administrative costs

A couple of the provisions/elements that I know of that are a cause for serious concern amongst business owners:

- The fact that the government believes they are better equipped to dictate and lead what to this point is the greatest health care system in the world. Certainly, there is room for improvement but people all over the world travel to America for medical care and that must mean we are doing something right.
 - USPS vs. FedEx and UPS
- The fact that health care is by the passage of this legislation being deemed a fundamental right. I don't remember seeing that in the Constitution. We continue on a very slippery slope where everything becomes a right and we move further toward socialism and the nanny state.
 - Why are we trying to emulate Europe?
- Defining full-time for health care purposes as 30+ hours per week
 - This will force our company to do either 2 things:
 - Artificially deflate worker hours to keep them underneath the 30 hour threshold because we can't afford the additional premiums
 - Hire fewer workers as a result of the increased costs of health care forced on us
- The health insurance tax being levied on insurance companies will be passed on to consumers and business will bear the biggest brunt of this tax increase.

- Again, we add unnecessary financial burdens that make our company less competitive in the global marketplace.
- Finally, all of the unknowns that will only be uncovered as we this massive law takes effect. Once more, I will reference the abortion coverage mandate debacle the nation has been working through over these last weeks as an example. What other 800 pound gorillas are in the room that we don't yet know about?

To truly help Americans, humbly here are some suggestions to improve access to affordable health care:

- Repeal Obamacare and replace it with sensible improvements to the real issues of reducing overall cost, increasing choice, and improving access:
 - Give employers the ability to offer more pre-tax options relative to individuals tailoring health care needs to their personal situations
 - Provide for small business pooling for access to reduced costs via more participation
 - This would give us an opportunity to choose and afford coverage for part-timers
 - Expand opportunities for flexible spending accounts and Health Savings accounts and the like
 - Encourage rather than discourage more competition. Right now, it seems like a company such as ours has very limited options to pursue for health care providers

Thank you for this opportunity to share with you my thoughts on the current health care situation. Please never forget what makes America great: the freedom to pursue dreams and become the best we can be by providing equal opportunity, not equal outcome.