

Business Continuity White Paper



Penn's Northeast: A Viable Option to Strengthen the Resilience of the U.S. Financial System

Released by the Office of
U.S. Representative Paul E. Kanjorski (D-PA)

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A Message from Congressman Paul E. Kanjorski (D-PA)

As a senior member of the House Committee on Financial Services, I am acutely aware of the challenges faced by New York City-based financial services firms to have business continuity sites able to resume operations immediately in the event of a catastrophe similar to the events of September 11, 2001.

On April 7, 2003, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission issued an Interagency Paper on "Sound Practices to Strengthen the Resilience of the U.S. Financial System." The Interagency Paper outlines recommendations to ensure that "key organizations in critical financial markets are able to recover clearing and settlement activities in the event of a wide-scale disruption as rapidly as possible."

Following the events of September 11, 2001, the agencies recognized the importance of preparing for a wide-scale disruption in the New York metropolitan region and set a main goal of recovering and resuming clearing and settlement activities within the business day on which the disruption occurs, with the ultimate goal of achieving recovery and resumption within two hours. The Interagency Paper notes that firms need to have "an appropriate level of geographic diversity between primary and back-up sites" and warns that backup sites "should not rely on the same infrastructure components (e.g., transportation, telecommunications, water supply, and electric power) used by the primary site."

To ensure immediate resumption of activities with no loss of data, firms rely on the use of "synchronous data transmission;" basically, data is automatically "mirrored" to a back-up site as it is processed at the primary site. Until very recently, technology limited the use of synchronous data transmission systems so that primary and back-up sites could be no further apart than approximately 50 miles. Now, however, the technology has progressed to expand that distance to 125 miles; for example, the Defense Department recently installed its

data back-up site approximately 125 miles away from the Pentagon.

To ensure that firms are meeting these goals, I inserted a provision in the Intelligence Reform law (PL 108-458) requiring the three agencies to report by April, 2006 on how well firms are complying with their guidance.

As the Congressman for Northeastern Pennsylvania, I know that my district is the ideal location for these back-up sites. The driving times from Wall Street to my district range from an hour and twenty minutes to

Stroudsburg, PA (78 miles) to just over two hours to Scranton and Wilkes-Barre (125 miles), yet all of these communities utilize different infrastructure components than metropolitan New York. Passenger rail service from Hoboken, New Jersey to Scranton is currently in the environmental stage with engineering and design soon to follow. The line is expected to be operational by 2009.

Financial services firms which already have major operations in the region (Prudential, MetLife, Bank of America, etc.) rave about the quality of the workforce. Our local colleges are attended by more than 53,000 students, many of whom are eager to remain in the area if suitable employment can be found.

Northeastern Pennsylvania attracts outdoor enthusiasts with abundant hiking and biking trails, hunting and fishing opportunities, as well as numerous ski resorts. With its collection of small towns, Northeastern Pennsylvania still retains a strong sense of community yet is easily accessible to the major amenities of New York City and Philadelphia.

In short, my district is a superb location for backup sites for major financial services firms. I have been working with our local economic development organizations and the Commonwealth of Pennsylvania to prepare a proposal for companies seeking a cost-effective means of complying with the goals of the Interagency Paper. An executive summary of our proposal is attached and the full proposal can be found online at www.pennsnortheast.com. Please call my office at 202.225.6511 if you are interested in meeting personally with our team.



Executive Summary

Introduction

The purpose of this white paper is to introduce Northeastern Pennsylvania (“Penn’s Northeast”) to New York/New Jersey Metro Area (NYC/NJ) financial services firms needing locations where they can bolster their business continuity efforts. This need has arisen from the desire of the U.S. Securities and Exchange Commission (SEC) and others (referred to as The Interagency Paper) to strengthen the resilience of the U.S. financial system after the tragic events of September 11, 2001. The Interagency Paper stresses that firms need to have “an appropriate level of geographic diversity between primary and back-up sites” and warns that back-up sites “should not rely on the same infrastructure components (e.g., transportation, telecommunications, water supply, and electric power) used by the primary site.”

Since the publishing of the Interagency Paper, U.S. financial services companies, especially those located in the metropolitan New York area, have received two sobering reminders of the need to implement business continuity plans.

The massive northeast power outage in August, 2003 cut electricity from east of New York, north to Toronto and west to Detroit, Michigan — an area home to about 50 million people. Even key business areas in Northern New Jersey lost power.

After power was restored, New York Governor George Pataki said, “It is hard to believe that less than 30 hours ago, New York State was facing the largest blackout in the history of America. Less than 30 hours ago, we had lost more than 85 percent of power in New York State...”

Despite its close proximity to New York City, Penn’s Northeast’s cities and business parks retained full power during the duration of the blackout.

Then, on April 12, 2005, *The Wall Street Journal* reported that three men had been indicted on charges they plotted to attack financial institutions in New York, New Jersey and Washington.

The four-count indictment accused the three men, who had ties to al Qaeda, of scouting the New York Stock Exchange and Citicorp Building in New York, the Prudential Building in Newark, N.J., and the

International Monetary Fund and World Bank in the District of Columbia. Prosecutors say the men conducted surveillance in Manhattan around April, 2001.

The need for financial services firms to implement enhanced business continuity plans was made even more acute by the Intelligence Reform bill signed into law in December, 2004.

By April 30, 2006, the SEC, in collaboration with several other federal agencies, must prepare and submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a joint report on the efforts of the private sector to implement the recommendations of the Interagency Paper.

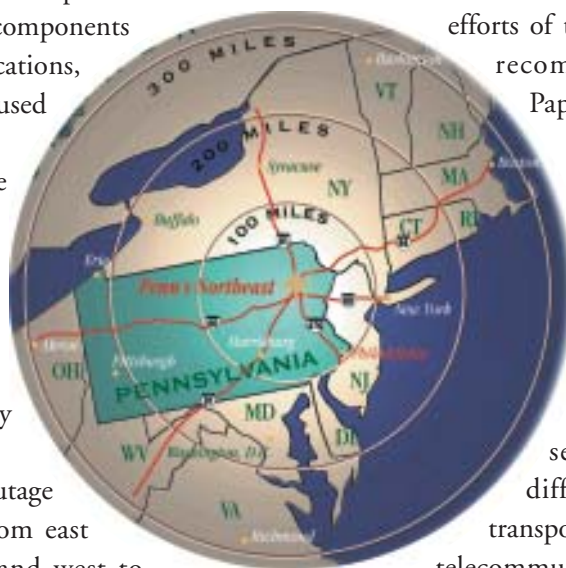
The report must examine the extent to which the implementation of business continuity plans has been done in a geographically dispersed manner, including an analysis of the extent to which financial services firms have located their main and backup facilities in separate electrical networks, in different watersheds, in independent transportation systems, and using separate telecommunications centers.

The report must also recommend legislative and regulatory changes that will expedite the effective implementation of the Interagency Paper by all covered financial services entities.

Penn’s Northeast is located 1 ½ to 2 ½ hours west/northwest of Manhattan and is home to 765,000 people. Despite its close proximity to metro New York, Penn’s Northeast is located in a different power grid, telecommunications grid, and watershed.

Penn’s Northeast is home to large financial services, customer service, and information technology offices for companies such as The Prudential, Metropolitan Life Insurance Company, Sallie Mae, Bank of America, CIGNA HealthCare, Diversified Information Technologies, Alltel, and Altria Group, Inc. (formerly Nabisco).

In 2005 national consultant Moran, Stahl and Boyer (MS&B) prepared a report entitled "Overview on the Available Resources for Locating Financial Services & Insurance Industry Support Operations in Northeastern



Pennsylvania." According to the report, local firms list a strong supply of qualified/educated labor with a strong work ethic, moderate/competitive operating costs - particularly for real estate, and quick access to New York City and other Northeast metropolitan areas, as the main reasons they chose Penn's Northeast for their financial services operations.

The Business Case

This white paper explains how relocating a 500-employee business unit from The New York/New Jersey Metro Area (NYC/NJ) to Penn's Northeast will save the relocating company almost **\$53 million over the first five years** in taxes, payroll, and real estate. And, **assuming a 2006 start up** and a location within a "Keystone Opportunity Expansion Zone," these savings will top **\$89 million by the end of 2013**.

Payroll

In its 2005 report, Moran, Stahl and Boyer (MS&B) compared the median salaries for a typical 500 employee financial services operation in Manhattan with the median salaries for a comparable operation in Penn's Northeast. MS&B estimated that total annual payroll (including benefits) for the Manhattan facility would be \$25,049,000 while the total payroll in Penn's Northeast would be \$19,830,000, a difference of **\$5,219,000 or \$26,095,000 over five years**.

However, other consultant studies suggest the payroll differential may be even greater. National business consultant Wadley Donovan Group estimates that wage rates for office positions in Penn's Northeast average 30% less than comparable positions in NYC/NJ. Using Wadley Donovan's estimates a 500-employee financial services firm that relocates from Manhattan to Penn's Northeast would save **\$37.5 million over five years**.

Real Estate

Using information gathered from numerous NYC/NJ real estate brokers and developers it can be estimated that the average cost to lease Class A office space in lower Manhattan is \$35 per square foot, gross. Comparable space in Penn's Northeast averages \$20.75 per square foot, gross. For a 100,000 square foot building (appropriate for a 500-employee operation) this \$14.25 per square foot difference will result in a savings of **\$7.125 million over five years and, assuming a 2006 start, \$11.4 million through 2013**.

Taxes

Numerous office sites within Penn's Northeast have received special tax-free status. Companies that locate in these "Keystone Opportunity Zones" (KOZs) are exempt from paying most local and state property and business taxes through 2010. Keystone Opportunity Expansion Zones (KOEZs) provide tax relief through 2013. A Big 4 accounting agency recently determined that a 500-employee trading company that moves into 100,000 square feet in a Penn's Northeast KOEZ will have its annual tax liability reduced by approximately \$4 million, resulting in a savings of **\$19.6 million over the first five years and, assuming a 2006 start, \$36.2 million through 2013**.

Location and Transportation

Penn's Northeast is within an overnight drive of 80 million consumers and easily accessible from NYC/NJ by the interstate system and by commercial and corporate air service. A passenger rail connection is expected to be operating by 2009.

Penn's Northeast communities and their distances and drive times from Manhattan:

Community	Driving Distance From NYC	Approximate Drive Time
Milford	73 miles	1:35
Stroudsburg	78 miles	1:20
Lake Wallenpaupack	99 miles	2:05
Honesdale	110 miles	2:24
Scranton	123 miles	2:06
Hazleton	127 miles	2:14
Wilkes-Barre	128 miles	2:15
Pittston	128 miles	2:16
Salem Township	140 miles	2:25

Source: www.mapquest.com

Interstate Access

Interstate 80 West, via either the George Washington Bridge or the Lincoln Tunnel (from Route 46), is the primary roadway that would be utilized if driving from Manhattan to Penn's Northeast. However, Interstates 84 and 78 can be used as alternate routes.

Passenger Rail Access

The "Lackawanna Cutoff" project is designed to re-establish passenger rail service from Penn's Northeast to Hoboken, New Jersey (with connections to New York's Penn Station via transfer to MidTown Direct service). A key component of this project will be connecting the existing NJ TRANSIT Montclair-Boonton and Morris & Essex lines.

The line will have eight stops – five in Pennsylvania (Scranton, Mt. Pocono, Stroudsburg, East Stroudsburg, and Delaware Water Gap) and three in New Jersey (Morristown, the Oranges, and Hoboken). A connection to Wilkes-Barre, PA may also be added. A full trip – from Hoboken to Scranton – is expected to take 2 ½ hours. However, U.S. Representative Paul E. Kanjorski (D-PA) is leading an effort to convert the project to high speed rail, which would cut travel time in half.

The line will connect to ferry boats, subway trains or busses in Hoboken that travelers can take into New York City (NYC). They will also be able to switch in Dover, NJ, to a train that runs directly into Penn Station in NYC.

Upon its completion, the rail line will serve one large “community” stretching from Penn’s Northeast, through New Jersey, to the Hudson River. The new line will allow people who live a reasonable distance from rail stops in New Jersey to easily commute to Penn’s Northeast.

Air Access

Two main airports serve the region:

The Wilkes-Barre/Scranton International Airport (www.flyavp.com) is located in Avoca, PA, just five minutes from Pittston and 15 minutes from both Scranton and Wilkes-Barre.

The Lehigh Valley Airport (www.lvia.org) is located between Allentown and Bethlehem, PA and is approximately 45 minutes from Stroudsburg, PA.

While a variety of commercial airlines serve the airports, both also offer superb general aviation services, which may prove critical in the event corporate aircraft needs to be used in the event of a wide scale disruption.

Labor – Availability, Cost, and Quality

Penn’s Northeast has earned a reputation for having a workforce that is well educated, readily available, easily trainable, cost competitive, and highly productive.

Labor Availability

A late 1990’s study of Penn’s Northeast by The Wadley Donovan Group, a national business consultant, reported:

- An excellent availability of experienced, skilled, non-exempt office personnel and entry level management and professional employees.
- An ability to draw workers with specialized skills from the extensive New York City, New Jersey, and Philadelphia labor markets.

- A highly rated very productive labor force, with an excellent work ethic, very good basic skills, and solid computer skills.

According to Moran, Stahl & Boyer’s 2005 report, there are more than 20,000 Northeast PA residents (includes Lehigh Valley) employed within the financial services and insurance industry.

“The area has a reasonably good depth of talent within a “food chain” hierarchy that allows employers to hire at the level of experience they need,” said the MS&B report.

The MS&B report added, “Turnover rates varied by employer and type of job, but in general, were considered lower than average for comparable situations. Employees are generally very loyal to their employers – more so than in other regions of the country.”

Penn’s Northeast’s business demographics have changed noticeably between the 1990 and 2000 censuses as demonstrated in the following table:

**Growth in Penn’s Northeast
Service Employment, 1990 to 2000**

Group Occupations	1990	2000
Management, Professional and Related	67,731	98,102
Service	44,056	53,692
Sales and Office	96,911	95,946
Total Employment	208,698	247,740*
* Represents an 18.7% increase since 1990		

Local business leaders have taken steps to ensure that employers, especially those within the F.I.R.E. sector, will continue to have access to an ample supply of qualified workers. For example, a partnership of more than 30 local chambers of commerce, economic development groups, and private businesses has resulted in the creation of an award-winning web site to match local employers with talented professionals. Visitors to www.worknepa.com can utilize a variety of tools. For example, employers can post available jobs and internships and search for employees and interns. Job seekers can post their resume (there were 2,100 posted as of May, 2005), search for a job and search for an internship. A unique web crawler function allows job seekers to simultaneously search eight different job sites, both local and national, to find a job in Northeastern PA. All services provided by the site are at no cost to the user.

Comparison of Median Annual Salary for Selected Positions

	Penn's NE	U.S.	NYC
Actuary	\$76,100	\$78,100	\$91,500
Insurance Claims Processor	\$26,700	\$28,800	\$33,700
Insurance Underwriter	\$49,000	\$51,300	\$61,700
Customer Service Representative	\$20,500	\$22,200	\$25,800
Accountant	\$42,400	\$44,900	\$53,700
Computer Operator	\$30,800	\$32,900	\$39,200
Systems Analyst	\$62,000	\$64,000	\$74,900
Computer Programmer	\$58,000	\$60,100	\$70,300

Comparison of Median Salaries using \$100 base for Penn's Northeast

	Penn's NE	U.S.	NYC
Actuary	\$100	\$103	\$120
Insurance Claims Processor	\$100	\$108	\$126
Insurance Underwriter	\$100	\$103	\$126
Customer Service Representative	\$100	\$108	\$126
Accountant	\$100	\$106	\$127
Computer Operator	\$100	\$107	\$127
Systems Analyst	\$100	\$103	\$121
Computer Programmer	\$100	\$104	\$121

Source: Moran, Stahl & Boyer

In addition, in 2005 the Northeastern Pennsylvania Technology Institute formed the region's first Financial Services Consortium. The Consortium provides a vehicle for local F.I.R.E. firms to meet and discuss best practices, find solutions to common problems and develop workforce development programs specific to their industry.

Labor Cost

Labor rates for white collar businesses in Penn's Northeast, especially those that fall into the F.I.R.E. (Finance, Insurance and Real Estate) sector, are very competitive when compared to similar operations in the New York/New Jersey metro area.

In its 2005 report, MS&B compared median annual salaries for a variety of financial services occupations in New York City to median salaries in Penn's Northeast and indicated that those in New York are 20% to 27% higher than those in Penn's Northeast.

In the late 1990's, Wadley Donovan, a national business consultant based in New Jersey reported the following:

- The overall cost of clerical labor in Penn's Northeast is 22% less than the U.S. average and up to 37% less than Northern New Jersey and New York City. Professional and technical labor costs 34% less than national averages and up to 40% less than Northern New Jersey and NYC.

- Labor costs are the second lowest of all metro areas in the Northeast and are comparable to those in the Southeastern U.S.
- On average, Penn's Northeast employers report that fringe benefits are 28% of base pay.

Labor Quality

The 2005 MS&B report lists the region's strong work ethic as a main factor determining the success of local financial services and insurance companies. In fact, John Rhodes of MS&B said, "It's almost like this area (Northeast PA) defines what work ethic is. People come to work with an eagerness and willingness to get the job done."

Local workers were consistently rated from "above average" to "excellent." Criteria that were used to rate employee quality included: education and training (preparedness), good work ethic (attitude) and productivity (accuracy and efficiency). The workforce was rated higher than comparable resources in the South, Midwest, and West Coast.

"Strong work ethic" was defined by local employers as follows:

- Employees come to work with self motivation to do the tasks at hand.
- There is a willingness to work long hours as needed for the good of the organization.
- There is very little "what's in it for me" entitlement attitude.

- Employees have a strong cooperative spirit focused on getting the job done.
- The people have a characteristic commitment to their work and pride in their efforts, team skills, a focus on family (balance of work and family), and a strong desire to stay in the area all of which drive their motive to hold onto a good job through exceptional performance.

"After management experiences in the Iowa, Illinois and Colorado markets, I feel the caliber of the employees entering our Caremark Hanover Township (Penn's Northeast) facility outshines the others. Their dedication, values and strong work ethic are evident in the quality of the work produced and our ability to grow the business quickly."

Carl Janssens
Vice President, General Manager
Caremark PCS

"One thing that strikes me every day that I come into the office is the great work ethic of the people here. People come to work extremely motivated and extremely willing to make this company succeed. They feel an ownership that I haven't seen in other places."

Jaco Smit
Senior Vice President
Sanofi Pasteur

Education and Training

One of Penn's Northeast's competitive advantages is its strong higher education system. More than 53,000 students are enrolled at the region's 18 college/university campuses. Many of these students are pursuing studies in fields that are critical to the success of the F.I.R.E. sector such as healthcare, communications, liberal arts, business and consumer services, education, financial services, marketing, and information technology. In fact, close to 6,000 students with degrees in these areas of study graduate annually from the higher education institutions which serve Penn's Northeast.

Real Estate

There are many office buildings and land sites within Penn's Northeast that will be of interest to NYC/NJ firms. Buildings range from well maintained properties in central business districts, to modern flex space in area business parks, to Class A buildings in the suburbs. Fully improved parcels, often served by dual power and dual telecommunications, can be purchased in dozens of local office and business parks.

Lease Rates

Office and flex space is far less expensive to lease in the Penn's Northeast region than it is in NYC/NJ. For example, modern flex/office space, fit-out to a client's exact specifications, is typically offered for lease for \$8 to \$12 per square foot, net, net, net. Class A office space can usually be leased in Penn's Northeast for \$12 to \$16 per square foot, triple net.

Operating Costs

"Add on costs" (utilities, real estate taxes, janitorial and mechanical maintenance, and insurance) typically range from \$3.50 per square foot to \$6.75 per square foot in Penn's Northeast, depending upon the type of operation (e.g. a multi-shift operation will consume more power than a one shift operation), the type of janitorial plan chosen, the amount of annual real estate taxes (e.g. taxes for a flex building may be \$0.50 per square foot but may be \$2.00 per square foot for a Class A office building), etc...

Land and Construction Costs

The cost to purchase fully-improved office sites in Penn's Northeast typically ranges from \$40,000 to \$70,000 per acre. Total cost to construct a Class A office building including land acquisition, site work, full building construction and all soft costs, ranges from \$120 to \$160 per square foot.

Availability

Local business, office and technology parks have been constructed by both private developers and non-profit economic development corporations. There are more than 20 fully-improved parks within the region that have land suitable for the construction of Class A office buildings. Many of these parks already have, or have the capability of having, dual power and telecommunications service.

Existing flex space and Class A and B office space opportunities are also available. Existing space is available in blocks of 10,000 square feet to 60,000 square feet with some larger spaces available. In some cases, new construction will be required for companies in need of more than 100,000 square feet.

Timing

Unlike major cities, the process to obtain building permits within Penn's Northeast is fairly quick and streamlined. In fact, a developer interested in constructing a large office building here would most likely be able to obtain all permits and approvals in less

than 120 days. Actual construction of a large office building will take from nine to 12 months – much less if a flex building is preferred.

Utilities

Electric Power

Businesses in Penn's Northeast enjoy highly reliable electric delivery service (our area stayed completely lit during the August, 2003 blackout) at prices that are below the average for the Mid Atlantic region. **These customers receive their power from a different grid than do those located in Manhattan.** The two main providers of electric power in the Penn's Northeast region are PPL Electric Utilities and UGI Utilities, Inc. Met Ed, a division of First Energy, provides power to a few sites in Monroe County in The Poconos.

Water

The Croton system, New York City's first upstate supply, provides about 10% of the city's daily consumption from 12 reservoirs and three controlled lakes in Putnam and Westchester Counties. The other 90% comes from six reservoirs in the Catskill/Delaware system, located in Delaware, Greene, Schoharie, Sullivan and Ulster Counties, west of the Hudson River.

Penn's Northeast is located within the Lackawanna River Watershed, the Susquehanna River-Chesapeake Bay Watershed, the Lehigh Valley Watershed and the Delaware River Watershed (western side). All Penn's Northeast communities, including those that are located on the western side of the Delaware Watershed, have their own water supplies and aquifers. Penn's Northeast's water supplies are independent of those serving Manhattan.

Telecommunications

Penn's Northeast has worked with EMC Corporation to verify that the technology required to deliver robust data redundancy at distances of up to 125 miles is viable for companies that choose Penn's Northeast as an additional off-site processing location.

EMC has recently announced a highly available enterprise business continuity solution that enables multiple data centers to act as one to help keep businesses running. In the event of a disaster, transactions are automatically routed to an alternate site with no need for manual restore or restart procedures, greatly reducing time to recovery and lowering costs. EMC has in fact already deployed this comprehensive solution to the Pentagon, allowing for the synchronous writing of data

to an undisclosed remote facility 125 miles away. This business continuity solution provides a geographically dispersed, high-availability architecture for application, server, storage and transport. Additionally, this solution provides almost synchronous replication of sensitive data required to facilitate restoration of critical business services within several hours in order to comply with the Interagency White Paper.

By itself, this technology would not facilitate business continuity without a robust, bandwidth intensive fiber-optic network. Penn's Northeast has a robust array of telecommunications services including Internet, Data and Voice products and services. With respect to flexible, high speed dedicated data services, local providers offer DS-1/DS-3 services as well as up to OC-48 private local SONET ring solutions.

Penn's Northeast has several major carriers, such as Verizon, Telcove, PPL Telecom and Commonwealth Telephone Company, who afford enterprises carrier diversity and redundancy. The region has several available office sites within 125 fiber miles of Manhattan.

Financial, Recruitment and Relocation Assistance

Financial services employers that have established offices in Penn's Northeast have been able to utilize a variety of incentive programs to help reduce their operating costs. The local office of Governor Rendell's Action Team works with the Department of Community and Economic Development in Harrisburg and with area economic development agencies and chambers of commerce to tailor-make incentive packages. Incentives include tax credits, training grants, and grants and low-interest loans for real estate and equipment. See www.newpa.com.

Local economic development organizations will coordinate recruitment and relocation assistance including participation in job fairs, posting jobs on web sites, family tours, executive orientations, on-site presentations, etc...

Quality of Life

Several quality of life factors make Penn's Northeast attractive to metro New Yorkers:

- According to FBI Uniform Crime Reports, the Penn's Northeast region enjoys an overall crime rate lower than nearly 80% of the nation. Northeastern Pennsylvania was rated the 3rd safest place to live in America according to "Sperling's Best Places" 2004.

■ The average daily commute to work within the region is just 20.5 minutes. (*U.S. Census Bureau*)

■ There are numerous sports and recreation venues in Penn's Northeast. These include 13 ski resorts, dozens of golf courses, a AAA baseball team, an AHL hockey team, and an arena football team.

■ The cost of living is significantly lower in Penn's Northeast. The following compares what a homeowner earning \$75,000 in various NY/NJ/CT communities would need to earn in Penn's Northeast to maintain the same standard of living.

Salary Comparison Chart

NY/NJ/CT Community	NY/NJ/CT Salary	Comparable PNE Salary
NYC (Manhattan)	\$75,000	\$26,966
Stamford, CT	\$75,000	\$40,995
White Plains, NY	\$75,000	\$43,266
Hicksville, NY	\$75,000	\$49,724
Hoboken, NJ	\$75,000	\$52,853
Bridgewater, NJ	\$75,000	\$52,881
Rockland County, NY	\$75,000	\$61,072
Morristown, NJ	\$75,000	\$61,145

Source: www.homefair.com

Here is what one relocating executive had to say about his move to Penn's Northeast:

"When I moved here from suburban New Jersey, my biggest concerns were the quality of schools available to my son and whether we would miss the recreational and cultural activities of the NYC metro area. We've learned the schools are more than competitive and offer all the programs we had hoped for. Moreover, because of cost and accessibility, the number and types of activities we now enjoy has increased dramatically. NEPA is a great place to live!"

Don Ryan, Principal, The Ryan Group
 Former Vice President of Human Resources for
 NatWest Services, Inc. - Relocated from Warren
 Township, N.J. (near Bridgewater) in 1994.

Summing it all up

The Penn's Northeast region offers a viable solution for those New York/New Jersey Metro Area (NYC/NJ) financial services companies needing locations where they can bolster their business continuity efforts.

The region is just 70 to 140 miles from Manhattan yet is located in a different power grid, telecommunications grid, labor shed and watershed.

Penn's Northeast's five counties and 765,000 people can be accessed via Interstate 80, 78, and 84. Passenger rail service between NYC/NJ and Penn's Northeast is expected to be restored by 2009.

Penn's Northeast employers cite the region's work ethic, low operating costs, and quick access to New York City as reasons for their success.

A NYC/NJ company that moves 500 financial services jobs into a Penn's Northeast Keystone Opportunity Expansion Zone in 2006 will save approximately \$89.4 million by the end of 2013. A breakdown of these savings is as follows: payroll - \$41.8 million, real estate - \$11.4 million, and taxes - \$36.2 million.

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