

Chris Petrone  
International Union of Operating Engineers

### Marcellus Shale and Jobs

I represent the International Union of Operating Engineers Local 66. Our local has around 7000 members located in 33 Counties of Western PA and 3 Counties in Ohio. The Marcellus has had a very positive impact on work for our members. From the extraction of the gas to the pipeline laid to transport it, countless jobs are being created for our membership. In a time when unemployment seems to be stagnant and large companies are not hiring, the Shale Gas Industry has directly provided hundreds, if not thousands, of jobs in the construction industry as well as a plethora of other job opportunities for Pennsylvanians.

In its infancy, the Marcellus Shale Gas industry had excluded most of the local workforce that Pennsylvania had to offer. Many energy companies were bringing in out of state employees to perform the pipeline work; and this caused quite the uproar amongst the local communities as well as many trade unions in Western PA. Specifically, it took some time for our Local Union to get our “foot in the door” requiring the help of many local officials to start a line of communication between Industry and our Local.

In the past year or so, we have been able to work with industry to promote the local workforce illustrating the skills and training possessed by the residents of Pennsylvania. Our local, as well as each local within the trades, has multi year apprenticeship programs solely designed to train and teach Pennsylvanians to be equipped with the skills necessary to succeed in all aspects of the construction industry and specifically the Marcellus Shale/pipeline Industry. These apprenticeship programs are free to both the member and the public as they are funded through members dues and do not include any state or federal funding. Many of the southern energy companies were unaware of this extensive training; so it took some time to educate these companies so that the unions were able to showcase their skill set. Once that opportunity was granted it was not taken away due to the skills and work ethic our membership put on display.

To date, our local is very close to full employment with much of the work being a direct result from the Marcellus Shale. It is a bright spot looking forward for our members, especially considering the lack of action regarding transportation funding in the state. However, there are still many out of state construction workers that are doing the work qualified Pennsylvanians could and should be doing; so, there is still room for improvement.

Shifting gear a bit, the presence of the Shale Gas beneath Pennsylvania soil also provides employment opportunities through “spin off” industries correlated with natural gas. The Shell Cracker Facility is a prime example of what will hopefully be the start of more to come. Western PA was not only blessed with large amounts of gas, it is blessed with wet gas. This wet gas is more valuable than dry gas like that in northeastern Pennsylvania mainly due to the ethane within the liquid gas. Ethane is processed into ethylene, which

is a vital chemical in the petrochemicals and plastics industries. Shell's cracker facility, that is currently proposed to be built in Beaver, will separate the liquid components including the ethane from the dry gas (methane) used to fuel things like houses and cars. This facility will create thousands of jobs through its construction alone. It will also create hundreds of ongoing jobs after its completion. Once the cracker is up and running, we could see further job growth as the plastics and chemical industries would be well served building near the cracker facility to almost eliminate transportation costs of the ethylene they require.

There is also a huge opportunity for ancillary benefits that are and will develop from the strong presence of natural gas below Pennsylvania soil. For instance, Pennsylvania has a high level of natural gas production, which leads to lower energy costs. This will lure many companies that are dependent on cheap energy to look to headquarter in Pennsylvania in order to maximize their savings by locating near the affordable natural gas Pennsylvania produces thus reducing their energy costs. So it will work as selling point to attract business and the jobs associated with that business.

Furthermore, there is a large amount of capital being pumped into local economies. Drilling companies are paying landowners and those landowners will have additional income to pump back into local economies. These companies are also hiring new employees and creating new jobs, which again creates additional income and spending in local economies. This spending results in higher demand for local business thus creating even more jobs. This increased demand will create jobs in construction, manufacturing, restaurants, hotels, real estate, and insurance.

Lastly, with all of the aforementioned benefits of the shale industry and added dollars infused into local economies, Pennsylvania will see a rise in tax dollars collected. This will allow state government to reduce the number of lay offs we have seen with state workers and teachers essentially creating even more jobs.

Clearly, the Gas Industry has and will create many jobs for Pennsylvania. It has created immediate jobs with the drilling and pipeline required to mine and transport the gas. It can create jobs through the processing of the wet gas and the industries that are dependent on the by-products. It should create a higher demand for local businesses through the influx of additional income to the residents of Pennsylvania in the form of royalties for landowners and new jobs for residents. That higher demand will inevitably create more jobs to supply that demand. Finally, the additional tax dollars stemming from all of the development and employment created by the gas industry will grow the tax base and increase tax collections for the state. This industry has a real opportunity to create jobs of all kinds, directly and indirectly. It must be encouraged to grow!