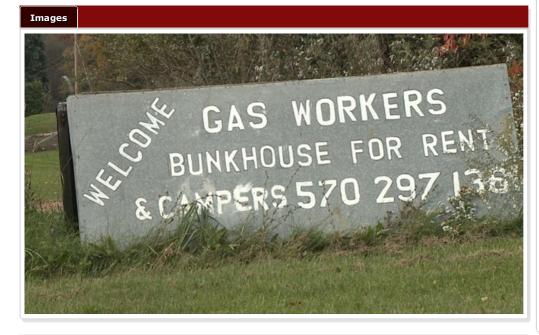


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Experts Say Shale Boom Equals Jobs, Jobs, Jobs



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Williamsport, Pa., used to be most known for housing the Little League World Series. Now it's known for Marcellus shale drilling. Back in October, we sent a crew there to find out how the drilling industry has affected all aspects of life since it first hit nearly five years ago. Our hopes were to show the Valley what it might expect as gas companies begin leasing and drilling our own Utica shale formation.

You can find out about what we learned and read the personal stories of Williamsport residents in the series of articles under the Living with the Gas Rush tab. There's also an extensive list of other stories, video and images featuring anything from leasing and the environment to the economy and transportation on this Shale News webpage.

When you meet Randy Pfirman, you can almost see the dollar signs in his eyes.

Just two years ago, the born and raised Williamsport man had a slow water hose manufacturing company on his hands.

He had less than a handful of workers, and business was declining. Every year, the area would lose a factory, and they would lose another customer.

Then in 2009, one of those remaining few customers "hit it big," drilling one of the area's first gas wells that tapped into the Marcellus shale. The man warned Pfirman that gas companies and their teams of workers would be "coming in from all over."

They did. And they wanted Pfirman's products.

"I don't ever have to worry about what I'm going to do in the future," said Pfirman. "Nobody in this area has to worry about jobs anymore.3

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"What we have not seen is the negative hit from the national economy." -- Lycoming-Williamsport Chamber of Commerce President Vince Matteo.

Economics

According to numbers from Penn State University, it's forecast that 212,000 jobs will be created in the Marcellus shale natural gas play. In the Northern Tier of Pennsylvania, which has a population of 182,000 and is adjacent to Williamsport in Lycoming County, 4,100 jobs have already been created since 2009.

This past fall, the U.S. Bureau of Economic Analysis announced that Williamsport was the seventh fastest growing metropolitan area in 2010.

Vince Matteo, president of the Williamsport-Lycoming Chamber of Commerce, even went as far as to say the recession nearly skipped the area thanks to Marcellus shale.

"What we have not seen is the negative hit from the national economy," he said. "And that tells us that jobs are being created because of the Marcellus shale industry being here. In the last four years, there have been over 100 new companies just in Lycoming County.'

Mark Madden, a Penn State Extension educator, said in Bradford County, which is adjacent to Lycoming County, there are about 20,000 more people now than before the rush. It's not clear how many are there temporarily with gas companies or how many have relocated to the area.

But the influx of people means more need for restaurants, shopping malls, gas stations and more. And gas companies hire contractors, use local garages for repairs on their large vehicles and need parts and machinery for their drilling operations.

Pfirman sells some of those parts at his GHX Hoseline. He makes a special type of hose used by drillers and that wasn't't available from any other local business before the rush. Over the past year, Pfirman's worker base has increased by 600 percent. Business has increased by 10 to 20 times, he said.

The gas companies and their offshoots are also filling the area's industrial parks, said Dave Thompson, a reporter with the Williamsport Sun-Gazette.

"They're looking for land," said Thompson. "They're coming in and taking up pretty much every industrial tract, and they are dying for our railroad service.

Retail is also booming.

What's been termed as the "Golden Strip" has developed on the city's East Side. It boasts new restaurants, gas stations, hotels and shopping plazas that weren't't around before Marcellus shale. In the downtown area, a new Kohl's recently opened next to two new hotels.

And the headquarters for Range Resources and Anadarko have moved to a building right across the street from Matteo's downtown office.

"If you walk downtown, wherever there's a vacancy, there are renovations. That's because companies are continually moving in," said Matteo. "So not only are there jobs out in the field, but there are jobs in downtown and in our communities.



"They're looking for replacements for those who left for gas jobs." -- Sullivan County Penn State Extension Educator Mark Madden.

Help Wanted

In September 2011, Williamsport's unemployment rate was at about 7.4 percent compared to the statewide average of 8.8 percent.

Thompson said his newspaper's help wanted section is jam packed, especially for workers with CDL licenses to drive vehicles needed to haul drilling materials. Restaurants and retail businesses constantly have wanted signs posted on their doors, he said.



Shale Poll

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"The growth is just coming," said Matteo. "Restaurants, hotels and in other places you may not think of. Dry cleaners are seeing an increase in business...barber shops."

For example, with one new company, Rig Maids, employees visit the drilling sites and clean the living quarters of the gas men who live on site. Mark Madden, Sullivan County extension educator, said even the dairy industry is hiring.

"They're looking for replacements for those who left for gas jobs," he said.



"It's not for everyone. It's a different lifestyle."	Scott Chesebro,	Anadarko engineer
manager.		

Gas Jobs

Among many of the area's new jobs are those with the actual gas companies themselves and the companies they hire to complete the work and labor needed on the drilling sites. There's some debate on how many of these workers come with the companies from out of town and how many are hired on a local level.

Scott Chesebro is the engineer manager out of the Williamsport office of Anadarko Petroleum Company. He said Anadarko has over 100 suppliers and contractors in the Marcellus shale play area, and more than 2,500 people working in some form or fashion.

Each phase requires a different number of workers with different skills, he said. It usually takes 30 to 40 workers for the actual drilling portion of a well pad project. Because of the cost of the equipment, drilling is a 24/7 operation. That means 12-hour shifts and a 28-day on, 14 days off for on-site workers.

Actual positions vary from drillers and roughnecks to derrick hands and daily supervisors and operators. Some are very mobile, and are only in town three or four days at a time to complete a task. Oil and gas workers earn an average of \$63,000 per year, according to Williamsport's Penn State College of Technology, which has a Marcellus study program.

Chesebro said many gas companies work with an area's colleges and schools to provide training for local residents to get drilling related jobs. According to Matteo, the gas industry claims over 70 percent of those hired on-site are Pennsylvania residents. Some are ex-patriots who came with the companies from out town and settled in the area.

Those include Chesebro, a second generation driller, who moved to Lycoming County from Texas.

"People have been very accepting of us," he said. "We're looking for the same in Ohio. There are going to be people from out of town certainly that have that expertise, and we want to groom folks that are native to Ohio and gt them up to speed and really bring up the workforce there.

"It's not for everyone," said Chesebro. "It's a different lifestyle. People who do it, stay with it for a long time."



"From an economic development standpoint, it's been a slam dunk win." -- Matteo

Tax Revenue

While there aren't't figures available yet for how much those jobs have created in income and sales tax, said Matteo, with creation of new industry, "you're going to see the tax base expanding."

For example, with so many temporary gas workers in town, the hotel business is booming, said Matteo. In nearby Bradford County, for example, a new hotel was constructed and a gas company reserved every room for the next two years, said Madden.

Customers staying at hotels in Lycoming County are required to pay three percent in hotel tax, which then goes to the chamber of commerce and the county.



Between 2010 and 2011, this hotel tax revenue increased by 63 percent. In 2010, hotel tax revenue totaled \$674,083 compared to \$254,847 in 2004.

"I've been in the business 30 years, and I've never seen economic growth like this," said Matteo. "From an economic development standpoint, it's been a slam dunk win."



"Shale drilling is driving the market up." -- Dave Thompson, reporter for Williamsport Sun-Gazette.

Downsides

With the population, though, has come an increase in costs like rent, said Thompson.

"Shale drilling is driving the market up," he said. "Whole apartment buildings are being evicted by their landlords so they can take on the gas workers and are charging many times over the rent they were getting before."

Thompson said his rent alone has gone up \$200 in just the last couple of years. He said it's been difficult for the area's human services to meet the community's needs, especially when it comes to the area's homeless. That rate has also gone up since the Marcellus shale industry arrived.

"A lot of people have seen that as a very significant problem," said Thompson. "There's a hidden homeless element where you don't see people living in cardboard boxes, but the agencies that deal with the homeless population have seen a significant demand on their services. They have not been able to meet the entire need."

Thompson said the state's legislators are trying to look into the problem and relieve some costs for their human services agencies. But it's not getting far, he said.

"There's a bill before the state to relieve the pressure, but there's no money to fund it," said Thompson.

Matteo said it's too early to calculate concrete numbers as far as population changes and homelessness because "we've really just scratched the surface." But there are jobs, he said.

"The best social service you can provide someone is a job," said Matteo.



"Nobody in this area has to worry about jobs anymore." -- Randy Pfirman, branch manager and founder of GHX Hose Line.

To read more on Randy Pfirman and his successes and to read about an historic bar/inn that's boomed thanks to the gas industry traffic, click the links below:

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- + Pfirman: Marcellus Shale Business Boom Incredible, Overwhelming;
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