

# Companies engaged in Marcellus Shale industry share success stories at recent PA Chamber forums

By Lindsay Andrews

**T**he positive economic impact of the Marcellus Shale industry in Pennsylvania is indisputable. The industry is the reason that

Washington County—one of the most active clean-burning shale gas producing regions and home to the first Marcellus well—was No. 3 in the nation in job growth from March 2010 to March 2011; and the reason why Williamsport, Lycoming County was the seventh-fastest growing city in the nation during a similar time period.

According to an economic impact study commissioned in the summer of 2011 by the Marcellus Shale Coalition and conducted by researchers at Penn State University, the Commonwealth's Marcellus Shale industry alone supports some 156,000 jobs in the Marcellus core and related industries. That number could rise to more than 256,000 by 2020—generating nearly \$20 billion for the state's economy.<sup>1</sup>

While statistics alone tell the story, the best evidence of the direct and indirect opportunities being generated by the natural gas drilling boom comes from the words of business leaders who can personally attest to the very real, positive impact that the Marcellus Shale is having on their company's operations.

The Pennsylvania Chamber invited local businessmen and women to share their companies' personal success stories at a series of Marcellus Shale forums (see sidebar article on the following page) held throughout the state this past fall.

Business leaders described how they came to be involved in the natural gas industry and how that decision influenced their company's overall growth. While individual experiences varied, each story shared a common theme – through innovative thinking and a hard work ethic, their company was able to carve out a specialized niche in the burgeoning energy industry. A concrete company owner learned how to drill and case well sites. Law and engineering firms began to offer land development, zoning and

environmental practice areas. Other companies were founded specifically to build and provide natural gas extraction equipment to regional drilling companies.

One of the most dramatic success stories shared at the forums was from PA Chamber Investor Member RETTEW, a Lancaster-based engineering and consulting firm. When RETTEW President Mark Lauriello attended the forums in Lancaster and Harrisburg, he detailed the company's 107 percent growth rate over the last few years, complete with a multi-million dollar headquarter renovation project—all due to the firm's involvement with the Marcellus Shale industry.

"In 2008, times were tough, and the economic forecast was pretty grim. I never thought we'd grow to this size organically, without acquiring another company, and expand our headquarters with a brand new building," Lauriello admitted to *Catalyst*.

RETTEW's success story also clears up another common misconception about the Marcellus Shale multiplier—that the only Pennsylvania businesses profiting from the industry are those located in areas where drilling occurs.

Other business leaders who spoke at forums in Chester, Jefferson, Bucks, Dauphin, Lancaster, Berks and Delaware counties clarified that even though their companies are not located in shale-rich regions of Pennsylvania, their involvement with the natural gas industry has given them the ability to hire and expand in an otherwise fragile economy.

In RETTEW's case, the benefits of its expansion have spilled over to improve revenue for other industry sectors. The company's headquarter renovation generated business for several central Pennsylvania construction companies; and its recent purchase of 75 new pick-up trucks from the Lancaster-based New Holland Auto Group helped to fund the car dealership's own expansion project.



"We're in the midst of remodeling one building completely and building another showroom for our Toyota dealership, so certainly the business with RETTEW makes that project easier to afford," New Holland Auto Group President Geoff Class told *Catalyst*.

Auto dealerships throughout Pennsylvania have similar stories to share. A recent article published in the *Harrisburg Patriot-News* addressed the enormous impact that the natural gas drilling industry has had on car sales, specifically in areas where economic growth is typically stagnant.

Steve Kaiser Jr., a general manager at Fairfield Chrysler Jeep Dodge in Muncy, Pa., told the *Patriot-News* that because of Marcellus Shale drilling, his company has seen a 70 percent increase in sales and service over the last 18 months.

"We are in a rural area and a lot of local people and local businesses are benefiting as well ... the

Pennsylvania business leaders aren't the only ones noticing the Williamsport phenomenon. Mike Jacoby, executive director of the Zanesville-Muskingum County Port Authority in Zanesville, Ohio, recently paid a visit to the town with a group of local officials from Zane State College to experience the industry's operations firsthand and learn how they too can take advantage of economic opportunities from shale development.

Zane State College President Paul Brown echoed the statements of local business leaders who testified at the PA Chamber's recent public forums when he told the *Zanesville Times Recorder* that now is the time to get involved with the natural gas drilling industry.

***In RETTEW's case, the benefits of its expansion have spilled over to improve revenue for other industry sectors. The company's headquarter renovation generated business for several central Pennsylvania construction companies; and its recent purchase of 75 new pick-up trucks from the Lancaster-based New Holland Auto Group helped to fund the car dealership's own expansion project.***

whole dealership as a whole is on the up, from parts service to the sales department," Kaiser said.

While the economic benefits of the Marcellus Shale can be seen across the Commonwealth, the most visible impact is in active drilling regions. Media have dubbed the city of Williamsport "Boomtown, Pa.," based on its dramatic private-sector growth. Once struggling to overcome the recession, the area now boasts new commercial development, increased property values and an unemployment rate that has shrunk 20 percent.

Companies of all sizes are capitalizing on the economic growth in this hotbed of drilling activity. At a forum in Drexel Hill, PA, URS Corporation Director Andrew Leitzinger explained that the global infrastructure and engineering firm with offices across Pennsylvania recently added a Williamsport office to enhance the support of their Marcellus industry clients.

"We have realized strong growth in the region during a time when the rest of the country has been in the grips of the great recession," Leitzinger noted.

"Not only have we maintained our workforce, we have been aggressively hiring and expanding our operations on the ground. During these hard times, it is great to be able to tell a deserving person, 'You're hired!'"

"To take a wait-and-see attitude about this development is the wrong thing to do," Brown said. "We're excited about the potential for what it can do for our area. Everything we learned I think will help us prepare for it and provide a positive future for our region."

*(Competition from Ohio and other drilling states is the reason the PA Chamber advocated for quick passage of a reasonable Marcellus Shale oversight law.)*

Through the stories shared at the PA Chamber's public forums, leaders from businesses of all sizes proved that by finding an effective role in the industry and providing the right products and services, the economic benefits of natural gas drilling are far reaching. *(The Marcellus Shale Coalition unveiled the first online business directory to connect the natural gas industry with small- to medium-sized businesses across the state. See page 41 for more information).* ♣

■ **Lindsay Andrews** is senior communications coordinator for the PA Chamber of Business and Industry.

1 Marcellus Quarterly, 2012

## PA Chamber's Marcellus Shale forums revealed facts, dispelled myths about natural gas drilling



DEP Secretary Mike Krancer was among the panelists at the PA Chamber's initial Marcellus Shale Forum, held in Lancaster.



From October through December 2011, the PA Chamber's Educational Foundation led a tour across eight regions of the state to share facts and dispel myths about the Marcellus Shale industry. The series, "Marcellus Shale Forum: Opportunities and Answers for Pennsylvanians," was co-hosted by many of the PA Chamber's local chamber partners.

View forum highlights



Each forum was free, open to the public, and featured a panel of energy and environmental experts from the public and private sectors. Participants explained their organization's involvement in Pennsylvania's Marcellus Shale play or provided an analysis of the industry's impact. Speakers included Department of Environmental Protection Secretary Mike Krancer; and Department of Community and Economic Development Secretary Alan Walker, as well as other state regulators, economists, industry leaders and environmental stewards.

The forums also featured a question and answer session, which gave the audience the chance to ask specifics about drilling processes and hear about the industry's expectations for the future.

The PA Chamber organized the forums as a way to ensure that all aspects of natural gas drilling were presented in a fair and balanced manner; that attendees had their questions answered directly from those "in the know;" and that good news was better shared about how the industry is providing direct and indirect economic opportunities throughout the Commonwealth.

**Watch for information on additional PA Chamber Marcellus Shale forums being planned for this summer in western Pennsylvania.** ♣