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Testimony on "NATURAL GAS - AMERICA'S NEW ENERGY OPPORTUNITY:
CREATING JOBS, ENERGY AND COMMUNITY GROWTH"
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Chairman Lamborn and members of the subcommittee on Energy and Mineral Resources:
Thank you for this opportunity to appear here today to discuss with you Natural gas - America's new energy, and the creation of jobs and the growth of our community in the Mahoning Valley. My testimony today will focus on the economic recovery, not only in my organization of the Plumbers & Pipefitters, but other organizations, as well as all businesses in the industry and outside of the Shale industry. All have had numerous opportunities to benefit from the partnerships that have been formed.

Road to Economic Recovery:

As reported by the Regional Chamber, the economic engine of the Youngstown-Warren region known as the Mahoning Valley has been "revved up" in recent years. Since 2008 economic development project announcements have resulted in an impressive \$1.5 billion investments, 5,098 new jobs and 7,840 maintained/retained jobs.

The Shale gas development boom that is coming into Ohio is bringing industrial cities in the region, such as Youngstown, Warren, Salem, East Liverpool, Wellsville, and Steubenville back to life. Projects that our organization have been part of include:

1. V&M Star, the leading producer of seamless pipe and tubular goods in the oil and gas industry. They have started construction in Youngstown on a new \$650 million, one-million square foot seamless tubular product mills. It has created over 1500 construction workers jobs (over 300 from the United Association) and 350 plant jobs in advanced manufacturing. Plus more phases are to come, such as a finishing mill, water treatment plant, and many more.
2. V&M Star sister company VAM-USA, a manufacturer of premium pipe connections used in the Shale drilling process, will build a 200,000 square-foot finishing plant at a cost of \$57 million and employing 200 construction workers, with over 100 new jobs in manufacturing.
3. Universal Stainless in North Jackson, Ohio. A 200,000 square-foot building with a cost of \$100 million dollars. Manufacturing in aerospace and oil and gas production. 200 construction workers, 100 new plant jobs. This was completed in 2010, it has since been added on to and expanding.
4. Patriot Waters built a state-of-the-art fracking water treatment facility in the city of Warren, creating 43 jobs. Plus more of these types of facilities are to be built in the area.

These are a small part of the many projects that are developing in the Mahoning Valley, like GM Lordstown, R.G. Steel, RTI Metals, as well as commercial growth in hospitals and schools. For example, Youngstown State University announced plans for a Natural Gas Water Resource Institute to better prepare its students for jobs related to Utica Shale. Also, Eastern Gateway Community College has remodeled two facilities in the Youngstown-Warren area for training into such positions as the Building Trades and jobs in the community.

I would like to finish with Economic Recovery by talking about two companies who have relocated to our area, that Local Union 396 has Agreements with to fabricate pipe and components for Industrial projects nationwide and even outside the country.

1. De-Cal is a mechanical contractor and pipe fabrication plant who relocated a branch office from Detroit, Michigan to Youngstown, Ohio. The Youngstown offices opened August 2011 by purchasing a 16,000 square foot building near the V&M Star Company and in less than one year plans to expand its fab shop operation by 46,000 square feet and increase their employees/our members from 40 to 130. This is a partnership of both government - local and federal, Regional Chamber, management and labor who work very closely to make this happen.

2. Evets Oil and Gas, V.E.C., Inc. is a new company in the mechanical field, but has been involved with the Shale Industry under the electrical side. The company is expanding to offer turn-key opportunities. Work would expand in the gas compressor station. This company travels nationwide and has installed more than 200 compression stations and plans to build a 2 million dollar fab shop in Girard, Ohio. They have a strong reputation for quality work.

Because of the gas industry and the VM Star project, our 52 signatory contractors, such as Roth Bros, Prout Boiler, Western Reserve Mechanical and McCarls, employ over 400 of our members, working in all facets such as the new shale oil, industrial, light commercial and residential. Local Union 396 is very proud to support them and have a great labor-management relationship.

Training:

Natural gas holds promise for the future of Ohio and the future for Local Union 396 signatory contractors and businesses in our area. The manpower needs will be so great that we have increased our apprenticeship program, as well as our welder certification programs. Our plans are to add to such support groups as Metal Trades so that they will be utilized into the Fab shops, and Helpers to be utilized into the oil and gas industry. Both Metal Trades and Helpers will be used in a pre-apprenticeship program for future students of the piping industry. This is where we can start recruiting individuals that are young students looking for a career, as well as displaced workers and veterans coming from overseas back into the workforce.

By expanding our training programs, we are going to utilize some of the programs that have been set up for us by the United Association, such as the UA Veterans in Piping (VIP). Our General President of the United Association, Bill Hite, has created this program to include a partnership with the US military. The VIP Program provides retired vets with 16 weeks of accelerated welding training. But before that career-training begins, they kick-off the program with an additional two weeks of transitional training to help returning veterans adjust to civilian life. The training is free to veterans who are placed in construction careers nationwide. Over 1,000 veterans are already on the job. General President Hite received distinguished service awards from the Military Officers Association of America.

Another program we have enforced: Pathway through the Building Trades, Education and Opportunity to Employment. This will also seek out and address the minorities and women in

well-paid jobs and careers, upgrading their skills in order to achieve their academic goals both in training and the apprenticeship programs in the building trades.

We have been able to apply for grants in order to recruit welders, such as the downhill program. Our goal is that this program will expand into having proficient welders in the oil and gas industry. I would like to thank both Congressmen Bill Johnson and Tim Ryan for their support in this program.

Our Local went from close to 40% unemployment two years ago, to full employment, with over 440 traveling members from the United Association from all over the country working in our jurisdiction at one time. And no lay-offs are in the future.

Partnerships:

The working relationships that we have in the Mahoning Valley are a big part of the success and the great opportunities that we have now. Our organization of Plumbers and Pipefitters Local 396 works very closely with the Regional Chamber and the Columbiana County/Wellsville Chamber, so close in fact that labor leaders from the Building Trades have a position on the Board of Directors at the Chamber. We have worked to build a positive relationship with bipartisan elected officials in order to build trust and work together as a team, with one goal: to improve the community that we live in.

With the support of both Congressman Bill Johnson and Tim Ryan, we have put together a Symposium Meeting for the oil and gas industry (Utica Shale Drilling). It will bring together companies of the oil and gas industry, piping contractors that have true expertise in their fields, Tech Belt/Energy companies, Community Colleges, and State Colleges. Businesses that are affiliated, the Regional Chamber of Commerce, and Labor, including Local 396, will work together to play a key role in the Shale development.

In closing, thank you, Chairman Lamborn, for the opportunity to provide the subcommittee with the achievements and opportunities that Plumbers & Pipefitters Local 396 have experienced. There have been a few elected officials wanting to place a moratorium on this industry. I feel that this would be a travesty, especially considering the growth that we have experienced already, and the drilling process has not even started yet. I have had a member of Local 396 ask me how I am handling the headaches of all the demands with the work picture. My reply to him was, I would rather handle the headaches than the heartaches that we have experienced these past few years, when there were no opportunities. Again I would like to thank the committee for my appearance here. It has been overwhelming and much appreciated. If there are any questions I would be pleased to take them at this time.