

Remarks for Congressional Natural Gas Caucus Field Hearing - July 26, 2013  
Mike Flanagan, Clinton County Economic Partnership, Lock Haven, PA

Dear Congressmen:

My name is Mike Flanagan, the President of the Clinton County Economic Partnership, based in Lock Haven PA. We are the economic development, chamber and tourism entity for the entire county. We have just under 40,000 residents, and our organization has over 300 dues-paying members.

Thank you for allowing me this brief opportunity to speak to you today, and welcome you to the region. Five years or so ago, some of us had never heard of Marcellus Shale. What a difference a few years can make.

The natural gas play in our county – and region for that matter – has brought job creation, expansions, rail yard expansions, and spinoffs. Clinton County alone has three natural gas related businesses that employ well over 100 people each, with most of them being considered local. None of those three were in our area three years ago.

It is difficult to document this statement, but Clinton County's unemployment rate for May 2012 was 7.9%. It obviously would be much higher if not for the arrival of the natural gas industry. We estimate about 700 direct new jobs have been created, and a large amount of indirect jobs. In a county of less than 40,000 people, that is a very large number.

Our largest project to date has been the Baker Hughes Oilfield Operations site in Lamar Township. The Houston based firm purchased 37 acres from our organization in late 2011, invested some \$40 million, and opened its impressive facility in December 2012. Baker Hughes now employs 180 people at the site. I mention this project also because it was a textbook on how to get a large project completed in a very timely fashion, and we applaud the work and cooperation

from agencies such as the state Department of Environmental Protection and other state and local agencies and officials.

Being part of the community is also important to the gas industry. Several natural gas related firms have sponsored local events. Just last night, a firm gave a donation to our local United Way, and last month another firm donated manpower and equipment to help during a severe flooding event. And, the county and municipalities have received just under \$4 million the last two years under the Act 33 Impact Fee.

When we visited the Fort Worth TX area a few years ago to view and see what a shale play has done for a region, we were told that the industry does and will have its peaks and valleys due to a number of reasons, including the price of natural gas. And we have seen that pattern already, but the economic impact has been very positive in the county and region, and only figures to be here a long time. We look forward to the future of the natural gas industry in our county and region.