



Doing business with the ‘cracker’ plant

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Sold-out forum offers tips for selling supplies and services for \$6 billion petrochemical plant to be built near Pittsburgh.

By [Valerie Myers](#)

TITUSVILLE — A \$6 billion petrochemical plant to be built near Pittsburgh over the next five years will produce more than the polyethylene building blocks for the plastics industry here and worldwide.

It will also produce jobs, a new market for existing businesses, spinoff businesses and cheaper raw materials in the region.

That was the message Wednesday at a sold-out forum on potential regional impacts of the Shell ethane "cracker" plant being built along the Ohio River to process natural gas from the Marcellus Shale. The daylong event at Titusville's Cross Creek Resort attracted almost 400 business, economic development, education and government leaders.

"That shows the kind of interest that's out there," said Dan Weaver, president and executive director of the Pennsylvania Independent Oil & Gas Association, major sponsor of the event.

Rightly so, said Denise Brinley, a specialist in strategic industry initiatives for the state Department of Community and Economic Development.

"This is the greatest generational economic development we've seen in Pennsylvania, maybe ever," Brinley said.

Jobs: On board and in the fleet



There will be 6,000 construction jobs at the Shell plant and 600 permanent jobs once it's operational in 2021 or 2022, according to company projections.

There's better news.

The plant will be like an aircraft carrier with a fleet of other businesses in its wake, said Dan Borné, retired president of the Louisiana Chemical Association. Borné and

other southwestern Louisiana business, education and development leaders addressed local counterparts at Wednesday's forum. Two ethane cracker plants are under construction in that state.

"There will be 8.3 jobs somewhere else for one job at the Shell plant," Borné said.

Jobs at the plant will be particularly prized, he said.

Pay at cracker plants averages \$100,000, and that wage is expected to increase by the time the western Pennsylvania cracker comes online, Borné said.

For more information

"Regional Impact of the Petrochemical/Cracker Plant" forum materials and presentations will be available online as early as this week at the Northwest PA Oil and Gas Hub website, nwpamarcellusshale.com

Minimum requirement for plant jobs: five years of relevant experience.

"If you want to work at the cracker plant when it opens, you need to start right now," said Gretchen Mullin-Sawicki, president of two campuses of the Community College of Allegheny County. The community college primarily plans to train students for jobs to gain the experience necessary to move on to the cracker, she said.

Joining the fleet: Subcontractors and vendors

The Shell plant will be built by Bechtel, a San Francisco-based firm that's one of a few in the world able to build megaprojects valued at more than \$1 billion, said R.B. Smith, vice president

of business and workforce development for the Southwest Louisiana Economic Development Alliance.

The company does much of its own construction and partners with companies that it has worked with previously, Smith said. But there will be opportunities for regional businesses to work on plant construction and provide needed materials, supplies and services, he said.

The bible for doing business with Bechtel is its online manual for suppliers, Smith said.

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"That's the door you have to knock on to start your relationships. Download it and read it carefully," he said.

In Louisiana, local companies are providing a variety of supplies and services, Smith said, including small tools; safety and janitorial supplies; transportation services; medical and first aid services; communication towers and antennas; backfill and landscaping; fencing; concrete and paving, anchor bolts; pre-engineered buildings; electrical, plumbing, HVAC and sewer services; pipes, valves, fittings and piping components; cable, conduit and grounding wiring; painting; insulation and fireproofing; scaffolding; catering; office equipment, furniture and supplies, and signs and promotional goods.

Businesses will need to work together to get a toe in Bechtel's door, Smith said.

"You need to put together the mass needed to gain the attention of these megacompanies," he said.

Helping local businesses do that or forming a coalition to represent them is a necessary next step, said John Krahe, senior vice president of the Erie-based Manufacturer & Business Association. Krahe attended Wednesday's forum.

"The big take-away is that we need to coordinate our efforts so that not each mom and pop shop is contacting these two big entities," Krahe said.

Small businesses: Catering to new customers

The main opportunity for small businesses will be selling to the people who build the plant and later work there, Smith said.

Understanding that those people will be new customers with new needs and desires will be crucial, he said.

"You may need to change your products or find new products," he said.

Convenience for customers will also be key.

"Time will be more valuable than money to these consumers," Smith said. "They'll be buying online and looking for home delivery. Use technology in marketing to them. Vibrant, active social media won't be optional."

The long game: It's not over until it's over

The Shell plant one day might not be the only cracker in the region, Brinley said.

Preliminary findings of a study now looking at the supply of natural gas in the Marcellus and Utica shales and the viability of other cracker plants in Pennsylvania, Ohio and West Virginia show that the region could support four more ethane crackers to "crack apart" and process liquid natural gas.

"That's a 'wow' moment," Brinley said.

And fitting, given the region's history, Weaver said.

"We launched the oil industry here 158 years ago. Those people went on and taught the world how to drill an oil well," he said.

This new type of oil and gas industry could be just as significant for western Pennsylvania, Krahe said.

"I think it's an opportunity like we haven't seen for quite some time," he said.

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