A New Industrial Revolution, Part 2

When customers ask why they should work with Elliott versus a company in Europe or China, Titus says, “Maybe you want to talk with somebody that actually understands how to listen and how to work together.”

He adds that this new way of doing business has been tremendous for the company. Once a strong candidate for closure by its parent company Ebara, based in Japan, the Elliott Pennsylvania facility decided to invest in the rundown plant, to hire and train a growing workforce, and to adapt a new business model in the face of a booming shale industry. The shale boom in North America caused a reemphasis of North American based equipment that Elliott has been able to respond to after watching its North American parts organization decline for years.

“We’re continuing to invest in expanding our capability so that we’re staying ahead of the curve. Part of it is capital,” Titus says, “and we’re actually hiring people in advance of our needs. What was kind of a Rust Belt plant is all of a sudden world-class competitive again,” he explains. Companies now want to convert their facilities to be able to use natural gas versus higher cost imported oil. And orders for new equipment are also on the rise, as Elliott sees more and more gas treatment plants emerge.

And the company is looking forward to more opportunities in Marcellus Shale: “We’re not capacity constrained yet,” he says, “we would like to have that challenge.”

A Demonstration In Resilience: Dura-Bond

After cutting 30 percent of its staff in 2007, Dura-Bond Coating recently was able to expand—opening a brand new facility in Duquesne with more jobs—as a direct result of the Marcellus Shale Boom. Dura-Bond offers specialty coating for steel products, and as much as 80 percent is dedicated to the shale industry, much of it in Pennsylvania, says Michael Reeder, plant manager and 18 year veteran at Dura-Bond. “And I think that’ll increase, too,” he adds. “As far as our outlook — it’s bright.”

Fully operational in November 2012, the new plant will allow the coating division of the company to nearly double its output. New equipment is taking the heavy labor cost out of the equation, allowing an easy flow of 4,000 pound pipes through the facility. Now, the lifting and pulling is completely done by machine. “What we bought is what we didn’t have before —speed,” says Reeder. “To get the efficiency and for this plant to move the pipe around and coat it this fast — you don’t do it with people, you do it with money and you buy equipment that does it.”

The new, larger facility will allow the company to meet the constantly growing demand from the shale boom, which Reeder sees as not slowing anytime soon. With 65 jobs added at the new facility, the company is well underway. While the demand, and safer and less labor intensive equipment, are capable of allowing the company to immediately double its coating production, Reeder explains that when working with product that can be 40 feet long and 4,000 pounds, safe acclimation is key: “We’re going to get these people acclimated slowly to these faster speeds. That pipe will kill you if people aren’t used to it going fast.”

After maximizing capacity at Dura-Bond Coating’s previous facility since March 2010, Reeder is looking forward to the new facility meeting ever growing demand, and for future expansion. The new facility was a direct result of the company’s role in Marcellus Shale—coating pipes that are used in the region—and the expansion has created exciting times for the company, Reeder says. “We’re going to be able to give these people good paying jobs for a long time to come. That is exciting.”

While the company is focusing on getting a new facility up and running, the old plant is not mothballed, Reeder stresses. “I hope we get so busy, we have to run both plants.

“But, we have to wait and see what business will let us do.”

Delivering Solutions: Aquatech

Strategically located in the Marcellus Shale region, Aquatech has utilized its 32 years of industrial wastewater treatment to offer a solution to the shale industry capable of meeting the needs of all facets of water treatment for natural gas companies. “Marcellus came to us, we didn’t go to Marcellus,” says Devesh Mittal, head of Aquatech’s shale gas division. The company is among the first in the area to create mobile purifying units that treat produced water at the drilling site. Already experienced in the water treatment industry, the company simply decided to “change the paradigm,” he says. Now, the shale industry has created a new division at the company, and facility and personnel expansion opportunities at

Aquatech's Canonsburg, Pennsylvania headquarters. An additional 1,800 square feet of manufacturing space is in the works, which will include a new in-house training center.

"We have in-house manufacturing capabilities, which is very unique," explains Mittal. "A lot of water treatment companies around the world do not do their own manufacturing." All of the water treatment units that the company provides are designed and manufactured in-house, with the majority today going into the oil and gas industry in Pennsylvania. "Our mission in Marcellus is to bring a solution to the gas producer," explains Mittal. The shale gas producers have huge costs associated with water, especially in trucking, he adds: "85 percent of their water management costs come from trucking. Our focus is to attack that cost and provide a solution."

Aquatech's mobile system of wastewater treatment solutions were created to eliminate transportation costs and enable the recycling and reuse of flowback waters at the wellhead, satellite, or central facility—reducing water required for the hydraulic fracturing process used in shale gas exploration. "We can manage water management costs, and reduce it," Mittel says. He adds, "A lot of these projects have a lot of public relationship issues, and by maximizing reuse and safely treating the water and reducing the discharge, we can encourage positive public relations for the companies that we work for."

He explains that Aquatech is able to offer clients "complete integrated water purification technology solutions," which include raw water treatment, thermal or membrane desalination, and zero liquid discharge. "We are effectively minimizing the draw on the fresh water resources and reducing significantly the waste discharge in the shale market."

With water a universal issue for the shale industry, he explains, "We are addressing the needs of a global workforce out of this facility."

An Industrial Revival

Thanks to manufacturers like these, Pennsylvania is a growing energy leader in the United States, becoming a net exporter of natural gas in 2011. They have seized opportunities the Marcellus Shale boom has provided, and expanded into global leaders in natural gas—and are making the region known for its industrial innovation and talent, truly fueling a new industrial revolution.

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