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Brian O'Neill: No Shell game: this cracker plant will deliver

June 9, 2016 12:00 AM



Darrell Sapp/Post-Gazette

An aerial view in 2015 of the former Horsehead plant site in Beaver County. The plant has since been demolished.



By Brian O'Neill / Pittsburgh Post-Gazette

When Shell announced Tuesday it had green-lighted its ethane cracker plant in Beaver County, a high school buddy who has been watching the oil industry for decades emailed me from New York.

This move “completely, totally, unbelievably turns conventional wisdom of the past 40 years on its head,” John Kingston, director of Global Market Insights for S&P Global, said. “A petrochemical plant in the U.S., and not in Asia? And one not on the Gulf Coast? C’mon, that’s crazy talk!”

The announcement does seem a throwback to an earlier time in Western Pennsylvania. We’re talking 6,000 jobs in building the multibillion-dollar plant, and of 600 permanent jobs once it

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opens. Some incalculable number of additional jobs will come from the suppliers, diners, dry cleaners, schools and others who will be needed to serve the plant and its workers.

“If we can man it with everybody from here, it will be manned with everybody from here,” Michael McDonald, president of the Beaver County Building & Construction Trades Council and a business manager with the Laborers’ District Council of Western Pennsylvania Local 833, told the Post-Gazette.

The people likely to work these jobs are, in large part, the kinds of voters the Democratic Party has been losing to the likes of Donald Trump lately. This plant is coming in part because former Gov. Tom Corbett, a one-term Republican, championed generous tax credits for every barrel of ethane that Shell buys from Pennsylvania’s oil and gas operators.

Though this work isn’t “green,” Democrats had better find a way to throw their arms around it (as Allegheny County Executive Rich Fitzgerald and Gov. Tom Wolf have). Because it’s very good news for the working class that the party is supposed to represent.

The building trade unions have been cautiously growing their apprentice classes since Shell chose the location four years ago, and soon these family-sustaining jobs should become real. The average pay for a construction worker in May was \$28 an hour, according to the U.S. Department of Labor. (That pay can vary widely depending on the job.)

“And to all the anti-frackers who think we should be using just wind and solar,” Mr. Kingston said, “you can’t crack watts coming off a wind turbine and make a petrochemical. You crack a hydrocarbon.”

Cracking hydrocarbon to make petrochemicals will sound as bad as fracking to many. But before anyone leaps to express online outrage, consider that the device on which you rant might contain polyethylene. The plastic seems to be in everything else, from shampoo to exfoliating scrub to diapers.

I say that as a guy who takes canvas bags to shop at Giant Eagle, and regularly hands old newspaper bags to a neighboring dog owner, so we all use less plastic. But it’s still everywhere, the sinew of modern life, and it wouldn’t be that if it didn’t have its purposes.

If plastic weren’t gestating here, the work would be done on the Gulf Coast or in Asia. This cracker will consume about 105,000 barrels of ethane per day, and it would make even less environmental sense to ship ethane across the world and back before using it.

At least here we can monitor it. The Clean Air Council issued a press release Tuesday calling for Shell to install “fenceline monitoring” of pollution at the site, as it has done at other facilities. Given all the subsidies Shell will be enjoying here, that doesn’t seem like a big ask. The tax breaks for ethane purchases over 25 years have been estimated as high as \$1.65 billion.

Government subsidies are commonplace in development these days, though rarely on this large a scale. When a Philadelphia refinery, the oldest and largest on the East Coast, was pardoned from death row in 2012, the state stepped in with tens of millions of dollars to save hundreds of jobs.

This plant won’t save jobs, it will create them. Main construction on the site of former zinc smelter in Potter and Center townships should start in 18 months. Production should begin in the next decade. Thousands of people will take home good pay.

Anyone in the chattering class who thinks they’re the wrong kinds of jobs needs to find these people better ones fast.

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Four Quick Questions

Do you feel bad for Le’Veon Bell having to deal with people mocking him on Instagram?

- Yes, social media is way too harsh
- No, he kind of had it coming you could say
- Other / No opinion

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