

Testimony of Frank Puskarich
Hog father's old fashioned BBQ, LLC
Washington, Pa.

Thank you for this opportunity to share my views and experience on the development of natural gas resources in Western Pennsylvania.

As a lifetime resident of the region, I see natural gas development, particularly the Marcellus Shale, as a once-in-a-lifetime opportunity for clean energy, economic growth and national energy security. The impacts of the natural gas industry are far reaching, already employing more than 250,000 Pennsylvanians- and as one companies billboard states "this is just the beginning".

I've been in business since the natural gas activity in the Marcellus Shale took off years ago, and I personally see that there has been a multi-billion dollar impact seen in all aspects of the state's economy. And simply put, this is the best thing that's happened to me and my company.

Let me share a little bit of my background with you. I started out in the coal industry, something that is very near and dear to the hearts of Western Pennsylvanians. My experience in the coal mining industry came at a time when Big Steel owned and operated their own coal mining facilities (Captive Mines).The coal was converted into Coke for use in their blast furnaces and also to fire electric generation stations.

At that time, the Washington county economy was thriving, fueled by the likes of Bethlehem, Jones & Laughlin, and US Steel and their coal mining divisions. Then, the Steel decline of the late 70's and early 80's. Thousands and thousands of Western Pennsylvanian steel workers lost their jobs due to plant closing. I left the mining industry just ahead of this collapse and pursued a career in the Restaurant industry. While working for major Food chains I felt the effects of this steel decline and even at times employed ex-steel worker friends that could not find other work.

Along with the decline of the steel industry came the gradual decline in coal mining in the area. Coal mine after Coal mine closed putting men close to retirement out of work. Some where able to take limited pensions and others, like my brother found work in West Virginia and drove close to 2 hours each way for several years to get in enough time to fulfill his retirement requirements. Others, much younger, left the area to find work in other states and other fields. Neighborhoods were in decline due to the poor economics.

I would like to point out that my Grandfather, two uncles, my godfather, and many friends died due to accidents in the mining industry. Death and disability will always be the side story to that industry.

In late 2006 I sold off my interest in a national pizza franchise and set out to start a concept of my own. After much planning and practicing, May 2007 was the birth date of

Hog father's old fashioned BBQ of Washington, Pa. and little did I know that right around the corner from that location was the largest Natural Gas fields in the world.

At lunch time it is sometimes impossible to get into the building, the 45+ seats are not enough to handle the lines but they wait their turn, eat and back to work they go. They all come, the land agents, the site planners, the rig movers, the drillers and my favorite the FRAC guys. They mix with the local residents and business owners while sharing their business cards or finalizing the work they have agreed to. The little county of Washington is over run with people looking to re-locate to the area, companies looking to find hotels for their crews to stay in, grocery stores to shop in, repair shops for their cars, trucks, and other heavy equipment.

When I opened in May 2007 I had 15 employees on staff and sales of just over \$10,000 per week. Last week, my company with 3 locations and 75+ employees did well over \$70,000 and there is a good chance that this year we will break \$4 million in sales. Much of this comes from catering work that we perform in the field or at corporate meetings, training classes, or with gas field vendors trying to win over customers by providing them a lunch.

My gas well catering has grown from serving from the tailgate of my truck to setting up a tent and a table to now serving twice a day out of four location catering trailers, 5 company vans, 3 manager vehicles and yes my personal vehicle still goes out every day to some natural gas site somewhere. In addition to the work in Western Pennsylvania, we travel daily to Ohio and West Virginia.

In order to service this large scale feeding operation, my food supplier has agreed to deliver to all three locations three times a week. They have hired additional drivers to handle this work load and have on call drivers and equipment to handle excess product that does not fit on the standard delivery or to deliver last minute items that are needed for a new catering job just called in. They have reported just under a 400% increase in our case purchases per week from 2010 to the end of 2012. We are now purchasing over 1000 cases of food and paper products per week. The effect the Natural Gas Industry has had definite impact in all areas of the food business with suppliers from coast to coast having to hire, train people to handle these increased volumes of pork, beef, poultry. Last Saturday I met with a packer, processor from Louisville Kentucky that would like to take on all of my pork and beef business from his operation there. His deal looks good and soon Louisville Kentucky will feel the benefits of the Gas Industrialization of Western Pennsylvania.

The effects of the Natural Gas Industry have allowed me to recruit, train, and compensate better management and service employees. Each of my unit managers is now given a salary and benefits package earning them over \$71,000 per year. I also provide at no cost to them complete health and dental care including their families. I am also able to pay an hourly rate for the kitchen staff that is well over 65% higher than the minimum wage rate.

The flow thru has been tremendous. Farmers who know of hard work have told me personally of how they have been given great lease and royalty deals. They now have tremendous incomes and yet still work their land every day. New equipment that they can now afford makes their work easier and their used, well taken care of machinery is now being re-sold to those that can't afford or don't need new replacements. I know these equipment dealers personally and they say that business is great.

The Ford dealer in Washington boasts an advertised inventory of over 400 new and used cars. They state that the inventory changes constantly and they update their website three times a day. These are all late model, up scale autos and it is evident that they're selling them. One must wait one week for a service appointment.

The impact has been felt in all business, housing, and hospitality. Everyday a new local business appears; independent welding operator with his brand new 4X4 truck and new welding unit attached to the truck bed, steel and metal suppliers revamping their operations to handle the larger metal and pipe orders. There are new clothing business opening that specialize in protective apparel and boots required to work the natural gas industry. Closed gas stations are re-opening and offering on the way food and supplies. Auto repairs shops are springing back up. Several years back I could walk in and get my hair cut. Now I have to take a seat and wait my turn.

Independent hardware stores in the area are also remodeling and upgrading their inventories. People are fixing and remodeling their recently purchased homes and apartments. Rental property owners are doing the same. One can drive thru old neighborhoods and see for themselves the changes that are happening. Houses are being fixed and up graded. New furnishings are being added to make them more appealing and bringing higher rents than before. Landlords are looking for employed gas field workers who can afford those rental prices.

Washington County, Pennsylvania is thriving in so many aspects that it never was before. Thanks to this industry, our region's economy is stronger than ever before. Things that are happening today resemble the times when steel and coal were booming. This area is now getting a second chance to experience that prosperity.

Natural gas can help to solve so many problems for America- clean air, energy security, and economic growth. And I know this because I'm seeing it happening in my own hometown.

Thank you for your time and affording me the opportunity to share my views on this most important resource for our nation's future.

Sincerely,
Frank Puskarich