

## Dearing Compressor Plans Another Plant Expansion



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By Dan O'Brien

BOARDMAN, Ohio – Oil and gas exploration in the Marcellus and Utica shale is having such a profound effect on Dearing Compressor & Pump Inc. that the company is already feeling the need for more space just two years after a major expansion was completed.

“There's definitely no sign of it slowing down,” reports company President Rick Dearing. “We outgrew this building before we moved into it.”

Dearing Compressor's success, and the growing interest of energy giants from across the country to the oil and gas reserves in eastern Ohio's Utica shale, was one reason why U.S. Sen. Rob Portman, R-Ohio, selected the company as a stop Friday on his tour throughout northeastern Ohio.

This year, Dearing 's company plans to add another 25,000 square feet to the 56,000-square-foot addition it completed in 2010. “We’re going to add on to this building again to increase productivity and throughput of this operation.”

In 2005, Dearing Compressor boasted 45 employees. Today it employs 180, Dearing said, “and we’re hiring every day.” The company manufactures compressor and pump systems for various industries, including the oil and gas business.

“This is a great success story,” Portman told employees at Dearing after a short tour of its plants on Simon Road. “You’re doing all the right things.”

On the other hand, Portman stated, the Obama administration is doing all the wrong things when it comes to managing the economy and supporting small business. Despite growing companies such as Dearing, much of the country is struggling with high unemployment and the longest recovery following any recession in American history since the Great Depression, he said.

"A lot of companies are afraid to make the investments Dearing's made here, and for good reason," Portman told the workers. "We have a deficit that's at historic levels. We have a government that borrows 40 cents on every dollar it spends. And the debt is as higher than it's ever been."

Although the tax issues related to the so-called "fiscal cliff" were averted and Congress agreed to restore tax levels on American individuals earning \$400,000 a year or more and couples earning \$450,000, increased revenue alone won't solve the deficit, the junior senator from Ohio said.

"The debate shifts to spending now," he said. "We have spending problem in this country."

Entitlement programs continue to exceed the rate of inflation, Portman emphasized, and the government and the administration should focus on how to curtail spending. "That's what I hope will happen in the next few months," Portman said.

Indeed, the senator outlined several issues that should force more debate over spending. First, any agreement with Republicans in Congress over the debt ceiling and the budget would have to come with measures to stem or reduce spending, he noted.

A partial shutdown of the federal government, Portman said, could be avoided "only if the president is willing to do something on the spending issue."

Moreover, although Congress stopped short of the fiscal cliff, he explained that the automatic spending cuts due to take effect Jan. 1 were merely postponed until March 1 – not resolved -- at the 11th hour. "The sequestration has only been extended for a couple months," he said. "Unless we get this spending problem under control, our kids and grandkids are not going to have the kind of future they deserve and we want them to have."

Any new reforms would not affect any individual now receiving Social Security or Medicare benefits, Portman said. "What it's about is future generations," he said. "You can make changes now that make adjustments in the programs that are slight."

The senator emphasized that simply passing temporary measures without any serious reform is counterproductive in the long run, and any legislation under consideration must include meaningful reform.

"We can't keep doing this -- kicking the can down the road and have a last-minute agreement that people haven't read," Portman said. "You've got to deal with long-term problems."

The economic climate is just one issue confronting small businesses in Ohio and across the country, he said.

“We've got to create a more pro-growth environment with tax reform, and better trade policies that help in terms of regulations,” Portman said.

Another challenge that threatens small businesses in this country is health care reform, scheduled to take effect by 2014. “We're looking at the possibility of substantial increases in health care costs,” the senator said, leaving “a lot of small businesses struggling to meet the new mandates.”

And third, the country's business sector cannot thrive without a serious energy policy, Portman said. “We’ve got to go for it,” he remarked. “In Ohio, we've got a great opportunity with the Marcellus and Utica shale finds. Let's use it.”

The biggest mistake government could make is to overregulate the industry and erect additional barriers that inhibit business growth, such as what is occurring at Dearing, Portman said.

“Let's put it to work, not just to create jobs at companies like this one, but bring back chemical manufacturing -- companies that make paint, companies that make glass,” he said.

Oil and gas extracted and transported from the Utica and Marcellus shale also has an indirect impact on all businesses in the region, not just those tied to the industry, Portman suggested.

“You now have natural gas at low prices with a stable forecast over time, so that manufacturers want to come back,” Portman said. “This is because this energy supply is going to be here.”

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