

Oil and Natural Gas Stimulate Tennessee Economic and Job Growth



Oil and natural gas are driving the U.S. economy through a major energy boom and that boom is rippling through the economy of Tennessee, supporting business activity across the state. This finding grows out of a new American Petroleum Institute survey of domestic oil and natural gas vendors,¹ which offers a glimpse into the job and business creation engine that is the current oil and natural gas industry. The survey shows that at least 82 businesses, spread across Tennessee's nine congressional districts, are part of the larger oil and natural gas supply chain.

The survey's snapshot of state-by-state activity reinforces the impressive level of industry success throughout the country that is documented in a recent PriceWaterhouseCoopers study conducted for the American Petroleum Institute.² That study found that the oil and natural gas industry in Tennessee supports some 111,500 jobs, which is 3.2 percent of the state's total employment. The amount of Tennessee labor income supported by the oil and natural gas industry comes to \$5.09 billion annually. That's 3 percent of the state's total labor income.

Although Tennessee is not a top U.S. energy producer, these job and labor income figures demonstrate that the people of Tennessee enjoy significant benefits from

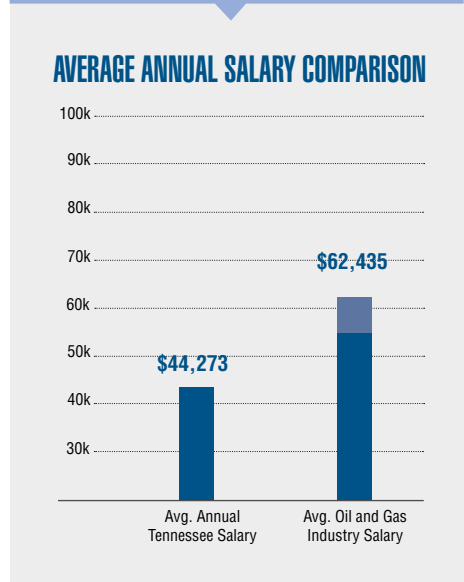
energy development.³ The benefits show up in the state's salary statistics as well. Thus, while the average annual salary in Tennessee across all industries and sectors is \$44,273, the average oil and gas industry salary (excluding gas stations) is substantially higher—\$62,435 annually.⁴ Overall the industry supports \$8.9 billion of the Tennessee economy. That's 3.4 percent of the state's total economic activity.

Tennessee also benefits from the production of oil and natural gas from shales and so-called "tight formations," energy development that uses the proven engineering technologies of hydraulic fracturing, or "fracking," and horizontal drilling. Total jobs supported by these

\$8.9 BILLION
THE INDUSTRY CONTRIBUTES
TO TENNESSEE'S ECONOMY

111,500
TENNESSEE JOBS

SUPPORTED BY OIL AND
NATURAL GAS INDUSTRY



1. American Petroleum Institute, "API Onshore Oil and Gas Vendor Identification Survey," Washington, D.C., 2014. The survey was distributed to API members in January 2014 to collect information for the period October 2012 to September 2013. Included are companies that provide goods and services for onshore oil and natural gas development, whether as operators, contractors, service companies, suppliers, or vendors.

2. PriceWaterhouseCoopers, "Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy in 2011," Washington, D.C., July 2013. Prepared for API using the IMPLAN input-output modeling system, based on 2011 U.S. Bureau of Economic Analysis data.

3. Information cited in this paragraph comes from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages (preliminary data for 2013 accessed July 2014); and PriceWaterhouseCoopers, "The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy: Employment, Labor Income and Value Added," 7/12/13 (based on 2012 IMPLAN database).

4. Data includes NAICS code 324, which may count some coal product manufacturing jobs.

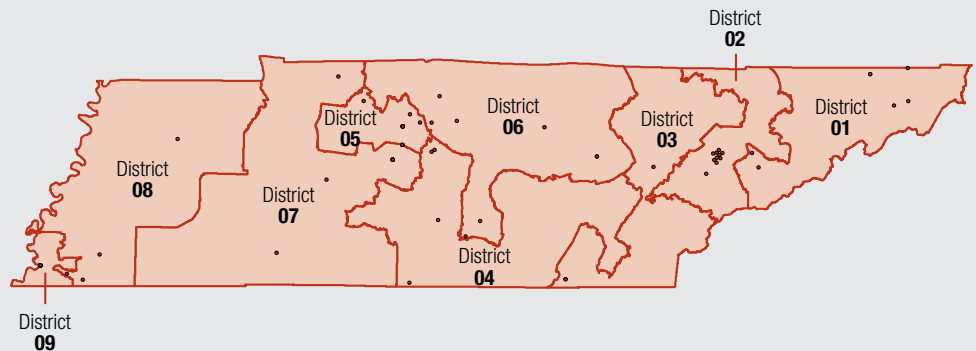
State: Tennessee

Vendors by Congressional District

Congressional District	Total
Congressional District 1	7
Congressional District 2	10
Congressional District 3	3
Congressional District 4	4
Congressional District 5	13
Congressional District 6	8
Congressional District 7	15
Congressional District 8	4
Congressional District 9	18
Grand Total	82

Tennessee Vendors by Congressional District

District Location ●



Top City
Memphis = 18

Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), and the GIS User Community

Vendor Profile⁷

SCADA Design Specialists, Inc.

SCADA Design Specialists, Inc. is a pipeline automation consultancy. The consultancy provides Allen-Bradley PLC and human machine interface (HMI) programming support for many of the major pipeline companies. The firm also has extensive experience with Allen-Bradley DF1, Ethernet/IP, and Modbus communications to peripheral devices. All of SCADA's work is done 100 percent in the oil industry. The consultancy provides automation services for crude oil, refined product, and carbon dioxide pipelines.

SCADA has not only provided programming support, but has also designed Allen-Bradley PLC and HMI standards for numerous major pipeline companies. PC programming knowledge and experience enable SCADA to create simple and well-documented PLC programs. The consultancy pushes the limits on HMI screens to provide systems that are colorful and easy to understand and use.

activities in Tennessee reached 13,516 in 2012. The job total is projected to climb to 23,310 in 2020 and to 27,702 in 2035.⁵

And Americans, including the people of Tennessee, get it. A telephone poll of 1,012 registered voters across the country,

conducted on behalf of the American Petroleum Institute, found that 77 percent of Americans, regardless of party affiliation, support increased production of oil and natural gas resources located in the United States.⁶

- IHS Inc., "America's New Energy Future: The Unconventional Oil and Gas Revolution and the U.S. Economy," Washington, D.C., December 2012.
- "What America is Thinking on Energy Issues." <http://www.api.org/news-and-media/news/newsitems/2014/july-2014/voters-say-us-should-do-more-to-develop-oil-natural-gas> the results of a national poll conducted by Harris for API July 10-13, 2014. Click on "national poll" to see how percentages of voters answered this and other questions.



AMERICAN PETROLEUM INSTITUTE

To find out more, visit API.org

for more information and follow us on [Twitter@EnergyTomorrow](https://twitter.com/EnergyTomorrow).

7. From the 2014 "API Onshore Oil and Gas Vendor Identification Survey" returns.

Congressional District 1

American Hardbanding
 Fiber Innovation Technology, Inc
 Lisega, Inc
 McKinnis & Scott
 Resource Paper & Plastic
 Summers Taylor, Inc
 Wilhoit & Kaiser

Congressional District 2

Hydrozonix, LLC
 Industrial Psychologists, Inc
 John R. Frazier PhD CHP
 Perma Fix Environmental
 Phillips & Jordan, Inc
 Power Systems, Inc
 System Improvements, Inc
 Thomas E. Midyett
 Waste Disposal, Inc
 Windrock, Inc

Congressional District 3

GMB Consulting & Training Services
 Heatec, Inc
 Techsoft USA

Congressional District 4

Corrosion Testing Services, LLC
 Hayes Instrument Co, Inc
 Industrial Data Systems, Inc
 Sitehawk Industrial Data

Congressional District 5

Acme Truck Lines, Inc
 Bridgestone Americas, Inc
 Carl Koontz Assoc
 Deep South Equipment Company
 Embraer Aircraft Maintenance
 Hercules Bolt Co
 K2 Environmental, LLC

Kristin Knoll
 Scout Check Report, Inc
 System Scale Corporation
 Tennessee Steel Haulers, Inc
 Testamerica Laboratories, Inc
 VF Imagewear, Inc

Congressional District 6

Alex Henning
 Commercial Credit Reports
 Eggers Family Revocable Trust
 ESC Lab Sciences
 Global Business Management
 Kodi Klip Corporation
 Paul Eggers Trust
 Tinsley Asphalt, LLC

Congressional District 7

3SAE Technologies, Inc
 Acme Truck Line, Inc

Aquaeter, Inc
 Cassidian Communications
 Conestoga Rovers & Assoc, Inc
 Datasource Mobility, LLC
 Dennis F. Dycus
 Exterra Resources, LLC
 FDR Safety
 Leverage Creative
 Premier Forest Products
 Scada Design Specialists, Inc
 The Lampo Group
 Vaco Houston, LLC
 Wright & Co, Inc

Congressional District 8

Langley Wire Cloth
 Online Fm, LLC
 Quad Industries
 Rapac LP

Congressional District 9

Asentinel
 Baker Donelson Bearman
 Delta Foremost Chemical Corporation.
 Federal Express Corporation
 Floied Fire Extinguisher
 George R. Douglas & Assoc, LLC
 Guardsmark
 LSI
 Mahaffey Tent & Awning Company, Inc
 Mudhorse Systems
 Nexair, LLC
 PMC Biogenix, Inc
 Pyramex Safety Products, Inc
 Radians, Inc
 Sedgwick Claims Management
 Terminix International Company
 Tristate Transport, Inc
 Trivantis Corporation