



**India-based pipeline maker expanding at Ark. Port
May 3, 2010**

An India-based company that supplies pipe for the oil and gas industry announced Monday that it will add 230 workers and spend \$30 million to expand its facilities at an Arkansas port.

Welspun Corp. opened its plant a year ago at the Port of Little Rock, after spending \$100 million in construction. The jobs announced Monday will bring the total number of Welspun employees at the factory to more than 600.

Welspun Chairman and Managing Director BK Goenka said the plant has important orders from El Paso Corp. and TransCanada Pipelines Ltd., with the latter working to build a crude oil pipeline from Alberta to St. Louis. A proposed expansion would include a more direct route from Alberta south to Houston and Port Arthur, Texas.

"Our growth has been swift and steady, and we expect more," Goenka said.

The company will keep its production lines running around the clock, seven days a week, Goenka said.

While most Welspun workers are needed in the factory, Goenka noted the plant's relationship with the University of Arkansas at Little Rock, from which it has hired graduates for upper-level positions.

For the expansion, the state provided a \$2 million cash incentive. Welspun will also get its state taxes refunded for spending on building materials and a tax rebate based on the number of people added to the payroll.

Many of the machines at the busy plant kept running during a ceremony Monday, at which Welspun also celebrated its first year of production.

"This background noise ... is the sound of progress and good things happening," Arkansas Gov. Mike Beebe said. "We don't ever want this noise to stop."

Beebe said the plant is an example of "reverse outsourcing," in which manufacturing jobs are making a comeback in America because companies are abandoning some of their non-U.S. operations.

Though it doesn't make wind-energy parts, as some other new Arkansas companies do, Welspun is still profiting from the move to alternative energy sources. New natural gas wells are being sunk in Arkansas and other states, where the combination of higher fuel prices and newly affordable technology has companies extracting gas from previously unattainable rock formations.

Likewise, oil shale in Canada is being tapped by producers who can now afford to do the work. It's that oil that is to travel through the TransCanada lines.

Goenka said that having an Indian company on U.S. soil, supplying the energy industry, is a fresh way to attain the "American dream."

The main stretch of the Keystone Pipeline in the U.S. has more than 1,000 miles of new 30-inch pipe. The extension, planned to run from Alberta to the southeast Texas coast, would add nearly 2,000 miles of oil pipeline.

In all, the Keystone projects are projected to have the capacity to pump 1.1 million barrels of oil per day. The \$12 billion project already has commitments for 83 percent of that capacity, according to TransCanada.