

Golden Triangle Business Roundtable  
Minutes  
April 19, 2005

**Walter Almon** called the meeting to order and welcomed all members and guests. Recognized attending Plant Managers, Politicians and other distinguished guests. John Cascio will present a program on Hurricane and Anti-Terrorism preparedness May 17, 2005.

**Committee Reports**

**Construction Industry Institute** - Walter Almon reported that flyers are out advertising the Lean Construction Methodologies – Capital & Maintenance Forum seminar scheduled for May 3, 2005 at the Pompano Club. This will be a half-day seminar. A California based company representative will provide the speaker and will discuss how our area can improve its construction methodology process. He asked all who are interested to make their reservations.

**Safety Committee** – Pat Avery reported that this is the last month that the full safety committee will meet until October. The Contractors have been given a mission to analyze GTBR Safety Survey statistics. Robert Royal with Triple “S” Industrial will lead the team. The Plant Safety Committee Representatives will be working on the safety awards process and will be preparing for the site audits. Please mark your calendars for the 14<sup>th</sup> Annual GTBR Safety Awards Banquet on August 30, 2005.

**Legal** – John Durkay reported that the Feds most recent development is the new bankruptcy statute, specifically the Preferential Transfer Action. The rules should be getting better for business because the Feds are tightening up. If you spent money on building a nice Texas home that’s toast. Congress just wiped it out and you can forget about it. Don’t go broke or give it all to your spouse. A number of changes have occurred inside the system and the jury is still out on as to whether or not much of this works. John doesn’t see any really good change coming out of this statute. There are a lot of down sides.

On the state side there continue to be problems with the finance question. The bulk of the school financing package is going to come out of things we heavily rely on. It hasn’t happened yet. It is likely that there will be a silicosis/asbestosis tort reform bill. A lot of progress has been made on this bill. The problem has been that a person who is hurt a lot gets paid a little money and a person who gets hurt a little gets paid a lot of money. The docket has become clogged with extremely large numbers of people who are being diagnosed. The Legislature wants to take all the people and not deny them their right to recovery but put them on hold until they can tell if their lives have been impacted by silicosis/asbestosis. John stated that it is a good experiment to try. The system needs to be fundamentally fair and this is a move in the right direction. One local issue is continuing developments in the management study of Jefferson County finances. We need to address some of the state’s suggestions. We need to convince the state that Jefferson County does know how to conduct its business. Where is our industry in general headed? Industry and contractors have a good thing going on at present. Capital investment and development is positive. One of the absolute keys of this developing here instead of somewhere else is our advalorem tax abatement system. This system is up for review in two or three weeks at Commissioners Court. There is a lot of room for growth and opportunity in this county. Let

your Commissioners know that you support this system so that the community can continue to move forward.

**Program: Two men talked to the group about liquefied natural gas.**

**Keith Meyer, President, Cheniere Entergy, Cheniere LNG has twenty years experience in the LNG business. Cheniere is a developer of LNG receiving terminals. Our focus is on the Gulf Coast. We have four projects that will be touched on today. It is recorded that he showed a safe harbor statement. Why you are hearing about LNG and why it is popular? Allen Greenspan has made statement that the US needs more import capacity for natural gas. He has analyzed the situation. The US needs to import more gas because we do not have a good domestic solution. North America has a shortage. Gas prices are up and the price is not sustainable for the long term. There are only two ways to fix the problem. One is to bring new supply or we shed demand and help pull prices down. Demand destruction is not pretty. Chemicals and allied products are the big consumers. This industry is concentrated on the Gulf Coast. Plastics are the next big consumers. There is a surplus of natural gas in the world where there isn't a demand. Most of the LNG goes to Asia, Japan and Korea. Europe is the next big demand market for LNG. North American is the big growth market. What Keith would like to see is the big users step up and take either gas supply or capacity in the terminals. In Freeport Dow Chemicals stepped up and took about a third of the plant capacity.**

**Where are the terminals going to be built? There are eight new terminals being built. There are only four operating terminals today. Three are on the East Coast and one on the Gulf Coast. You will see about eight more with a concentration on the Gulf Coast. They have focused on the Gulf Coast for a couple of reasons. There are four projects on the Gulf Coast two in Texas and two in Louisiana. Freeport, Corpus Christi, Sabine Pass and Creole Trail are along the Gulf Coast. Texas and Louisiana's demand is fifteen billion cubic feet per day. That is more than twice the demand of Japan. There is also pipeline infrastructure. This nation is piped to take gas supply from the Gulf. A couple of key development factors for Cheniere are open access, low cost re-gas provider, conventional technology and community support. Keith apologized for not having enough open dialogue. He stated that they would spend more time in the area from this time forward. They are an environmentally responsible company. There is no discharge into the waterways and minimal impact to wetlands. They expect the Sabine Pass LNG to be in service in 2008. Cheniere worked with Jefferson County Waterway and Navigation District to come up with an agreement to use and maintain the channel. The pipeline plan is largely being driven by their customers TOTAL Petrochemicals and Chevron/Texaco. Sempra's economic impact is that they will be a new source of tax revenue, construction jobs and permanent jobs. It will be a three- year construction time and they will hire locally. Bechtel will build the project and will focus on local hiring. LNG is very clean burning natural gas. Questions followed.**

**Marvin Ivey, Project Development Manager, Sempra LNG manages Sempra's LNG in Port Arthur. He works on the upstream side. Sempra Energy was formed as a holding company in 1998. They are a Fortune 500 Company. They have offices in Dallas, Austin, Houston and hopefully Port Arthur. They operate over 4,000 mega watts of power and an oil and gas production unit. Energy services group that helps make building more efficient in energy use. They also have an LNG project and pipelines that will take that**

**LNG away. Gaps must be filled by imports. Compression makes it economical to move LNG. Chill, warm it up and put it in a pipeline. They started on the West Coast building an LNG. It is fully permitted and under construction. The seconded project is permitted in Cameron Parrish. They are north of Cheniere's project on about 3,000 acres. They are building a park at Keith Lake. This land was damaged land from previous projects environmentally, however, they will put their dredge on their own property. Sempra plans to build in two phases of construction. Hwy 87 will be relocated to the back of their property. They will spend about ten million dollars on the project. Sempra will handle about one hundred and eighty ships a year. Two pipelines will be built to get into a trunk pipeline to better position themselves for distribution. They have made their application to the federal government and hope to have their permit in a year and begin construction about this time next year. Local benefits to the community are a safe, clean, efficient, reliable source of energy for homes and businesses with price stability. Questions followed.**

**Meeting Adjourned.**