

Golden Triangle Business Roundtable (GTBR)

Minutes

June 15, 2004

Walter Almon called the meeting to order and welcomed the 130 members, subscribers and guests in attendance. Walter also recognized plant managers and distinguished guests.

Committee Reports:

Walter Almon – Construction Industry Institute (CII)

Walter reported that the written skills assessments are established and the committee will revert to presenting half-day training courses. The next scheduled committee meeting is June 16, 2004.

Mark Viator – Government Affairs

Mark reported on five items. First the House of Representatives is still considering the Chemical Security Bill. They are reviewing various alternative security approaches to the chemical industry and it's impact. Next is class action lawsuit reform. The Senate leadership has secured what they believe to be the commitments for the necessary sixty senators to support the procedural motion to cut off debates concerning class action lawsuit reform legislation. Mark's third item of interest is the environmental monitoring and response pilot program. They have a pilot program in place in Houston, Texas. It is a virtual control room for the TCQ to monitor emissions from various plants. More information will be released as reports are received. On the state level school finance continues to be the focus. Some people are scrambling to see what the impact will be and how it will affect business and industry. Finally, the Port Neches Independent School District is working with industry to see if industry can assist in providing accountability and assistance to a bond project. An advisory group will be making a recommendation for the Port Neches Independent School District. The bond is up to \$192 million. Businesses in that district may be impacted.

Walter Almon – Labor Survey

Walter reported that the spring labor survey has been mailed out.

John Durkay – Legal

John reported that Tort Reform previously mentioned is not likely to occur. Generally things are headed in the right direction.

Overtime regulations have been stopped. Most people will not see any dramatic changes over the summer.

The Fair Labor Standards Act is something you should pay special attention to in the future.

Pat Avery – Safety Committee

Pat recognized several new companies that have representatives on the safety committee. Pat reported that the owner committee is conducting site audits for the awards process. They should finish up all audits by the end of June. The 13th Annual Safety Awards Banquet is scheduled for Tuesday, August 31, 2004. Please make plans to attend.

Program:

Walter introduced Mark Sikkel, Vice President of ExxonMobil Development Company. Mr. Sikkel discussed the overall supply and demand balance for natural gas in the world and what it means to the US and specifically what it means to the local area. He stated that there are a lot of good things going on and it's good that ExxonMobil is a part of it.

They are delighted to be looking at new opportunities. Mark conducted a slide presentation that featured oil, gas, coal and other energy demands and their growth potential. He stated that exports and imports are increasing. Europeans are very dependent on imports. The United States doesn't import much natural gas. Significant growth is expected through the year 2020. That's why there is so much interest in liquefied natural gas (LNG). LNG is quickly becoming a global market. What is LNG all about? Basically it's natural gas cooled to minus two hundred and sixty degrees Fahrenheit, where it becomes a liquid and at that temperature it occupies one six hundredth of its former volume and can be transported at atmospheric pressure and moved in insulated ships. Then it is warmed and converted into natural gas. It is the same clean and safe natural gas people use in their homes. LNG has a forty-year history of being a reliable and safe source of gas. What is involved in bringing LNG to the market? The following areas are needed to market LNG: Field Development, Investments for the source, ships to transport, receiving terminals, re-gasification sites, pipeline grids and distribution.

Where are we in this process? The permitting process for Golden Pass is underway. It normally takes eighteen months or more and requires detailed engineering, environmental and safety studies, economic and community impact assessments and opportunities for public input. What drives a project and what gets built or doesn't get built? Community support, economics of the facility, market environment, transportation, permits and competition are some of the driving forces.

What are the benefits? Some of the benefits are that it will provide a safe, reliable, long-term competitive source of energy and help the region compete in a global market. It will attract new businesses and retain existing jobs. This proposed project would create 50-plus skilled positions and additional support jobs. Six hundred peak construction and support jobs as well as provide opportunities for local suppliers, and subcontractors to participate in all phases of the project.

Safety is a high priority during all phases of the project. Following a successful permitting process, the LNG project will enter a construction phase. It will take about three years to construct an onshore LNG receiving terminal.

A question and answer period followed.

Meeting adjourned.