

2-2-2023

To: *U.S House Committee on Energy and Commerce*
Subcommittee on Energy, Climate, and Grid Security
From: Eric Cormier
Subject: Chamber SWLA Testimony regarding Biden/LNG

Honorable Members --

The Chamber Southwest Louisiana wants to thank the subcommittee members for the opportunity to share information and insights related to President Biden's temporary pause on pending decisions related to exports of Liquefied Natural Gas (LNG) to non Free Trade Agreement countries (pending a Department of Energy review of project evaluation policy).

Even though our stakeholders and agency expected the decision, when the announcement was made on January 26, 2024, there was a feeling of trepidation within the local business community.

The Chamber SWLA supports all businesses, both large and small. The Biden Administration's decision has far reaching consequences because LNG and SWLA have a symbiotic relationship. Our agency wants to share information related to:

- LNG's impact prior to 2020 to Allen, Beauregard, Calcasieu, Cameron, and Jeff Davis parishes.
- Future positive impacts of LNG expansion on Southwest Louisiana following COVID, Hurricane Laura, Delta, a freeze and spring rain flooding.

LNG has been part of the SWLA economic tapestry since 1981 when Trunkline LNG imported natural gas for gasification from Algeria. Due to advancements in industrial technology and federal policy changes, America decided to allow companies to readily export this natural resource to the world market. That process started in 2016.

As a result, the Lake Charles MSA (Calcasieu and Cameron parishes) and has become a strategic area of LNG expansion and investment due to our region's extensive pipeline system, the Calcasieu River Ship Channel, workforce, and a strong community connection to industry going back to the early 1900s.

Today, Cheniere/Sabine Pass LNG, Sempra/Cameron LNG, and Venture global Calcasieu Pass are exporting this important product on the world market. According to the Lake Area Industry Alliance, those three companies combined total a \$34.5 billion investment in our region which created 1,085 direct jobs and \$27 million in property taxes.

Right now, Commonwealth LNG, Magnolia LNG, Lake Charles LNG, and Venture Global are affected due to the Biden Freeze. Those companies' collective investment would total \$20.3 billion.

Dr. Loren Scott, one of Louisiana's preeminent economists, reported that the Lake Charles MSA (Calcasieu and Cameron parishes), if final investment decisions related to proposed (now frozen LNG projects) are decided, 7,200 jobs would be created between 2024 and 2025. Those jobs, both direct and indirect, are tied to expanded housing development, increased sales tax collection, more small business development opportunities and a stronger regional education system.

In 2020 and 2021, SWLA was impacted by COVID, Hurricane Laura, Hurricane Delta, winter storm Uri and a major flooding event. That resulted in:

- Laura causing \$17 billion in damages
- 44,000 homes damaged by Laura and Delta
- Population dropped 6.7 percent
- Unemployment rate at 14.1 percent in September 2020

SWLA went from being home to one of the fastest growing MSAs in America to the worst. According to Dr. Scott, the MSA had recovered only 45 percent of the post 2019 losses in 2023.

SWLA is in the midst of rebuilding itself. Regularly, our community members and business stakeholders ask Chamber SWLA representatives about LNG company final investment decisions. Why? Because along with our strong industrial, aviation, hospitality, maritime and health sectors, LNG represents growth and progress.

Residents here are not only excited, but they have followed our agency's advice and created business plans in order to seek out loans from banks, investors and the Small Business Administration to open businesses and reap the rewards of trickle down economic philosophy.

LNG companies have supported local schools and McNeese State University and SOWELA Technical Community College. Local LNGs are also supporting the development of the LNG Center of Excellence at McNeese State. This community partnership is helping our region grow its footprint in LNG and energy academic circles. The Chamber SWLA adamantly disagrees with the Biden Administration's decision to pause LNG projects going forward. This decision has unintended consequences which impact our local Main Street community. Also, SWLA is in the early stages of a clean energy future. Our office is working with developers and innovators to pave the way for solar, wind and hydrogen energy development.

Natural gas is a clean source of fuel. According to McKinsey, between 2007 and 2019, gas to power in the United States grew by 70 percent during that same period CO2 emissions dropped by 14 percent.

It will be years before we reach 100 percent renewable energy production. Natural gas is the bridge fuel we need to maintain our energy independence.

We agree that we must reduce our carbon footprint. We must do so in a pragmatic and thoughtful manner. SWLA is the epicenter of America's LNG complex. We are a people that are moving forward even amid trials and tribulations wrought by nature. We all benefit from progress and Americans are known to solve complex problems. Let these companies and SWLA residents move ahead and remain a leader in energy production and innovation.