

Resolution in Support of States Adopting Efforts to Increase Participation of Small and Disadvantaged Business and Women and Minority-Owned Business in the Natural Gas Industry

WHEREAS, The production, transportation, and marketing of natural gas is a \$90 billion a year industry; *and*

WHEREAS, The capital-intensive nature of the natural gas industry and an industry trend towards highly capitalized companies, makes it difficult for women and minority-owned business enterprises to enter and compete in the natural gas marketplace; *and*

WHEREAS, An efficient and competitive natural gas marketplace that is open to all qualified entrepreneurs and contains no artificial or unnecessary impediments to minority business participation will encourage natural gas usage and increase the bottom-line profits of natural gas industry entrepreneurs; *and*

WHEREAS, On January 16, 1997, the Under Secretary for the Department of Energy signed a Memorandum of Understanding (MOU) on the Natural Gas Minority Business Development Program creating a DOE Natural Gas Market Access Program for Small and Disadvantaged Business and for Women and Minority-Owned Business Enterprises (WMBE's); *and*

WHEREAS, The Natural Gas Market Access Program for Small and Disadvantage Business and Women and Minority-Owned Business Enterprises identifies opportunities for minority firms to market their capabilities to natural gas industry purchasers such as producers, utilities, and marketers, while simultaneously educating these purchasers about the benefits of diversifying their supplier base and removing financing obstacles to increased minority business participation in the industry; *and*

WHEREAS, Sixty-six companies including Southern California Gas, Baltimore Gas and Electric, Cook Inlet Energy Supply, Pacific Gas and Electric, and Texaco Gas Supply have signed the MOU, a non-binding agreement between the Department and organizations wishing to support the Department's Natural Gas Market Access Program for Small and Disadvantaged Business and for Women and Minority-Owned Business Enterprises (WMBE's); *and*

WHEREAS, In signing the Memorandum, these organizations commit themselves to work with the Department of Energy to increase minority business participation in the natural gas industry; *and*

WHEREAS, Local natural gas utilities such as Southern California Gas Company and Baltimore Gas and Electric have purchased natural gas from WMBE's at competitive market prices with reliable supply; *and*

WHEREAS, On January 9, 1998, a new creative financial/credit instrument, the Funds Transfer Agent Agreement (FTA), that allows WMBE's to obtain credit and financing to compete in the natural gas marketplace was accepted by the Gas Industry Standards Board (GISB) membership and adopted by the GISB Executive Committee and has been incorporated in the Gas Industry Standards Board's Model Contract for Short-Term Sale and Purchase of Natural Gas Contract; *and*

WHEREAS, On November 25, 1998, the office of the Comptroller of the Currency issued a finding that banks using Funds Transfer Agent Agreement to meet a financing need in the natural gas marketplace, would receive favorable consideration for providing a community development service when the bank is evaluated for Community Reinvestment Act performance; *and*

WHEREAS, On July 13, 1999, Secretary of Energy Bill Richardson and David Parker, President, American Gas Association (AGA) sent correspondence to the Presidents and CEO's of the 189 AGA Member Company Investor Owned Local Natural Distribution Companies in support of the Department's WMBE program; *now, therefore, be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners, assembled at its 111th Annual Convention in San Antonio, Texas recommends that the various States support the Department of Energy's efforts to increase opportunities for women and minority entrepreneurs in the natural gas industry, and encourages the NARUC Committee on Gas to demonstrate support for the Department's Natural Gas Market Access Program for Small and Disadvantaged Business and Women and Minority Business Enterprises by signing the Department's Memorandum of Understanding on the Natural Gas Minority Business Development Program.

Sponsored by the Gas Committee

Recommended by the Board of Directors

Adopted in Convention November 10, 1999