Testimony of John Mohlis
U.S. Senate Committee on Energy & Natural Resources
May 21, 2013

Mr. Chairman, members of the Committee, thank you for the opportunity to appear today and comment on this subject.

For the record, my name is John Mohlis and I am the Executive Secretary for the Oregon Building and Construction Trades Council. I represent 25,000 members from 21 unions that include boilermakers, bricklayers, cement Masons, electrical Workers, ironworkers, laborers, plumbers, pipefitters and steamfitters, sheet metal workers, and teamsters.

I am here today to comment on the positive economic benefits that the proposed Jordan Cove LNG export terminal would bring to the State of Oregon.

Exporting North American natural gas via Jordan Cove makes sense because the pipeline network serving the Pacific Northwest has enough available capacity to allow for exports, without significantly increasing the price for domestic consumers.

The Jordan Cove terminal would allow the U.S. to access Asian markets and supply Hawaii with natural gas. Hawaii would like to transition its electric generation to cleaner, natural gas, but needs a U.S. West Coast LNG terminal from which to find affordable, reliable supplies.

For Oregon, the construction of the Jordan Cove terminal and the associated Pacific Connector Natural Gas Pipeline means a $7.5 billion dollar investment. It will take 42 months to build and employ an average of 930 workers with a peak workforce of more than 2,000. The construction trades in Oregon have been hard-hit the past five years, with unemployment among my members averaging 35%. This project would go a long way toward putting many of them back to work.

Permanent employment will include 150 direct jobs at the Jordan Cove terminal and the Pacific Connector Pipeline, 51 indirect jobs paid by Jordan Cove (such as Sheriff's deputies, firefighters, tugboat crews and emergency planners). In addition, a further 400 indirect jobs would be created in Coos County. This would be an incredible boost to a community that has seen the timber and fishing industries decline for decades.

As many of you know, Congress has had to support Oregon's timber counties because of falling harvests. Jordan Cove will pay $25 million per year in new property taxes. The Pacific Connector Gas Pipeline will pay $3 million per year in taxes each to Coos, Douglas, Jackson, and Klamath counties, all of which have been dependent on timber sales from federal lands to support schools and other local government services.

Jordan Cove's construction will also lead to a modernization of the Port of Coos Bay's facilities, helping it attract importers and exporters of other goods.

In addition to the economic impact of Jordan Cove's construction and operations, it's important to note that the pipeline that will serve it brings a unique benefit to the region.

To supply Jordan Cove, the Williams Company will build a new 234-mile pipeline from Malin, Oregon to the terminal at Coos Bay, Oregon. This pipeline will cross, and interconnect with, the existing Williams pipeline at Grants Pass, Oregon greatly increasing the local supply of natural gas. The need for additional natural gas supply to support economic development is a long-standing issue for Southern Oregon.

The existing natural gas pipeline network serving the South Oregon Coast and the Southern Oregon cities of Roseburg, Grants Pass and Medford is already constrained. And, this region doesn't have a ratepayer base large enough to justify the cost of a new interstate gas pipeline to serve it.

But the Pacific Connector Pipeline serving the Jordan Cove terminal will meet this need… and will do so at NO cost to ratepayers.

For a small-population state like Oregon, the investment opportunity Jordan Cove represents is truly historic. I believe North American natural gas will be exported. The question is whether it will be exported via the U.S. West Coast or British Columbia. I would rather see the United States, and Oregon benefit from this trade by building the Jordan Cove terminal.

Thank you again for your time.