

Minority chambers unite to promote more access to energy trading plan

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by Charles N. Brown

Courier Staff Writer

Frank Torbert Jr. foresees long-term success for his energy brokerage company thanks to a new initiative that will help him make deals without a credit line or bond.

The Funds Transfer Agent Agreement Outreach Plan is a partnership between the local African-American and Hispanic American chambers of commerce and two offices of the U.S. Department of Energy promoting access to energy trading for women- and minority-owned businesses.

The plan ensures the transfer of money from the buyer of energy commodities, such as natural gas and coal, to suppliers through the use of an account with a financial institution used solely to secure the deal.

"I'm very comfortable with this," said Torbert, whose company brokers deals for almost four tons of coal a year.

"It's been used on the West Coast. If it can be done on the East Coast, it will be very beneficial. It's something I think will be ongoing."

Under the initiative, the financial institution acts as an intermediary, handling payment from the energy buyer and the supplier in the broker's name. Because the financial institution ensures funds



HIGH ENERGY—Doris Carson Williams, president, African American Chamber of Commerce of Western Pennsylvania shakes hands with Guillermo Velazquez, director, Hispanic Chamber of Commerce. PHOTO BY DON PAG

are directed to the proper parties, the broker is not required to provide a letter of credit or bond to the supplier.

Many minority- and women-owned businesses face problems making major energy deals because they don't have the credit to secure them. Some deals require hundreds

of thousands of dollars up front.

Doris Carson Williams, president of the African-American Chamber of Commerce of Western Pennsylvania, said the partnership should stimulate business for the seven minority-owned energy brokers in the area and increase

energy trading interest because of better opportunities for minorities to compete in the lucrative industry.

She added increased competition could lower gas prices in the Pittsburgh region and stimulate the job market.

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"This helps get minority companies in the mainstream market," Carson Williams said.

"This is a new approach, and hopefully, it advances the number of participants in the industry. This is a unique opportunity for an industry that has had few women and minorities."

The U.S. Department of Energy has committed its resources to see that the project is successful. It presented each chamber with a \$77,000 grant to market the project.

"The Department of Energy is pleased and excited to be able to work closely with the NETL (National Energy Technology Laboratory) and with these two progressive regional minority chambers of commerce on this initiative," said Theresa Alvarado-Speake, director of the U.S. Department of Energy Office of Economic Impact and Diversity.

"Given the rich heritage of America's energy industry in this region, I think it's particularly fitting that these parties have come together on this to enable minority- and women-owned business enterprises to compete more effectively in the natural gas and commodities trading marketplaces."

Rita Bajura, NETL director, agreed.

"This is an excellent opportunity for women- and minority-owned businesses to play a significant role in regional and national natural gas commodity trading," she said.

"We are looking forward to continuing our close work with these two chambers and with the (Department of Energy) headquarters to successfully implement this effort.

"This is a good partnership. It meets a national need for a more open energy market. It will open more doors for minorities and women."

Outreach plan benefits

Funds Transfer Agent Agreement Outreach Plan benefits

Minority/Women-owned Brokers:

- Short-term—obtains financial tool to help buy/sell natural gas
- Long-term—develops ongoing relationship with a bank
- Greater access to natural gas marketplace

Bank or financial institution:

- Grows new customers/new market
- One- to two-day transactions allowing bank to make money faster
- Increases business activities with small- and minority-owned businesses.
- Earns Community Reinvestment Credit from government for the loan

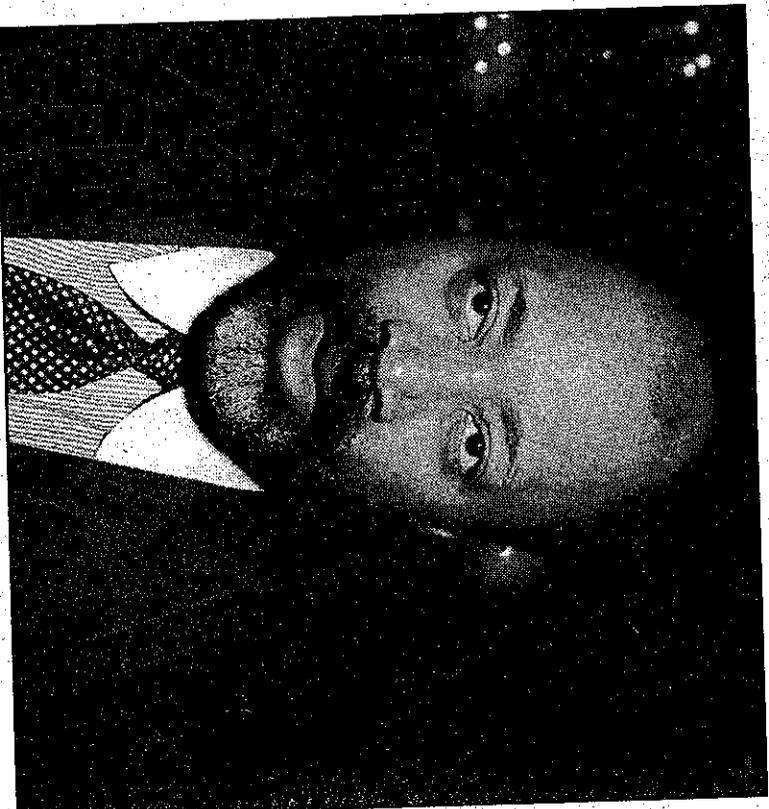
Natural gas suppliers:

- Assured payment
- Access to new/niche markets
- Increases sales to small- and minority-owned businesses

Natural gas buyers:

- More suppliers
- Lower prices
- Increases amount of purchases from small- and disadvantaged-businesses

(Source: Local African-American and Hispanic chambers of commerce.)



FRANK TORBERT JR.