

TPA LEGISLATIVE OUTREACH SERIES

The oil and gas industry, of which pipelines are an integral part, is vital to the economy of Texas and the nation. TPA has reached out to Texas state legislators to inquire about the importance of the industry to the residents and businesses of their districts. Here, Chairman Chris Paddie (R-Marshall), speaks about his East Texas district, which includes the Counties of Shelby, Sabine, Cass, Harrison, Marion and Panola. Rep. Paddie is Chairman of the House Committee on Energy Resources.



CHAIRMAN CHRIS PADDIE ON HOW PIPELINES DELIVER PROSPERITY TO HIS TEXAS HOUSE DISTRICT

- Q.** In 2015, you were appointed Vice Chairman of the House Energy Resources Committee and today you are the Chairman. The committee has jurisdiction over energy resources, production and regulation, including oversight of the Railroad Commission of Texas (RRC). We are very interested in your views on the state's oil and gas industry, but first, please tell us about the radio stations you own and hosting a weekday morning show called "The Talk of East Texas."
- A.** Being in the radio business provides a great opportunity to serve East Texas. We have stations in Marshall, Carthage and Henderson. We take a community-oriented approach, providing up-to-date local news and coverage of many of our local

schools' sporting events. For many areas, we are the only daily source of local news and events. Every day, my radio show features a local organization or citizen with a timely topic or event, as we provide more insight for the listeners and help provide exposure for charitable and civic events. Every Monday we have the Sheriff, who provides helpful information about area law enforcement activity and some light-hearted humor.

- Q. What are your comments regarding the oil and gas industry in general? For example, does Texas need this industry and why? What benefits does it provide and why are they important?**
- A.** The oil and gas industry is a vital part of the Texas economy, and the East Texas economy in particular. While Texas has diversified its economy in recent decades, oil and gas remains the driving force behind the Texas Miracle. As your members are aware, the sales and severance taxes paid by the oil and gas industry are vital to the state budget and are a huge source of funds going to everything from schools to roads. This does not even begin to touch on the jobs created by the industry, or the innovation led by the industry. The benefits derived from the Texas oil and gas industry are numerous and wide-ranging.
- Q. Are energy services a substantial source of jobs and tax revenues in your district? How has COVID affected the industry in your area?**
- A.** Yes, oil and gas is a huge part of the East Texas economy, providing jobs and local tax revenues. In my district alone, almost 3,500 East Texans are employed in the oil and gas industry. And as you know, these tend to be well-paying jobs. Furthermore, my local schools derive almost \$3 billion of their tax base from oil and gas activity. As these numbers show, any time there is a downturn in the oil and gas industry, East Texas feels the pain in many ways. The COVID-related downturn is no different, but I am confident that as in past cycles, the industry will become more efficient and innovative and emerge stronger on the other side.
- Q. Are you a supporter of the policies that encourage the building of a sufficient pipeline infrastructure to deliver the oil and natural gas products that lead to lower energy prices for consumers, including for electricity and gasoline?**

A. Yes, having sufficient pipeline capacity represents the most effective and efficient way to move oil and gas products around the state. As we have seen recently in the Permian Basin, producers are harmed when they are unable to get produced minerals from the well to production facilities. These inefficiencies are harmful for all aspects of the industry and ultimately the consumer. We must focus on building out this vital infrastructure.

Q. **Is there any other relevant information you would like to share?**

A. I am looking forward to continuing working with the oil and gas industry in the 87th legislative session to ensure that the industry is able to come out of these difficult times and to make sure Texas continues to lead in energy innovation.