



July 1, 2013

The Honorable Fred Upton
2125 Rayburn House Office Building
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Upton,

The Distribution Contractors Association (DCA) represents contractors, suppliers and manufacturers who provide construction services including installation, replacement and rehabilitation of natural gas pipelines, water and wastewater infrastructure, as well as fiber optic, cable and duct systems in communities across the country. DCA has a vested interest in a facilitated pipeline permitting process, and we strongly support the Natural Gas Pipeline Permitting Reform Act (HR 1900).

It is increasingly clear that we have enough natural gas to meet America's growing energy needs for generations to come. However, many parts of the country do not have the necessary pipeline infrastructure to meet the rising demand – an appreciable number of pipeline projects must be approved to achieve that capacity. Unfortunately, important pipeline projects are often mired with extended reviews while acquiring federal and state permits, grants of rights-of-way and approvals from various federal, state and local agencies. These delays often result in missed in-service dates and increased project costs, and hamper the vast economic benefits that accompany pipeline construction.

Gas pipeline projects create high-paying jobs, generate significant economic activity and expand the local tax base. Over 625,000 workers are employed to explore, produce, transport and distribute natural gas, and industry studies have indicated that every \$1 billion invested in underground infrastructure creates up to between 25,000 and 30,000 jobs and significantly increases demand for products and services in other industries. Industry estimates indicate that current exploration and production industry driving the unconventional gas phenomenon supports 1.7 million jobs across a broad chain of supply, and could support 3 million jobs by 2020. In 2012, gas production and transportation added \$62 billion to federal and state government revenues, a number that could rise to \$111 billion by 2020.

Understanding the significant job creation and economic activity that result from gas pipeline projects, DCA supports legislation to streamline the permitting process and get these important projects off the ground. The Federal Energy Regulatory Commission (FERC) is generally effective in reviewing applications for permission to build pipelines but it lacks the authority to enforce permitting deadlines for other federal and state agencies. HR 1900 would address that by providing that authority and establishing deadlines for approval of these permits, and we support quick consideration and passage of the legislation.

Sincerely,

Robert Darden
Executive Vice President

Cc: House Committee on Energy and Commerce