



January 20, 2015

The Honorable Mike Pompeo
U.S. House of Representatives
436 Cannon House Office Building
Washington, DC 20510

Dear Representative Pompeo:

The Small Business and Entrepreneurship Council (SBE Council) and our nationwide membership of entrepreneurs and small businesses are pleased to support H.R. 161, the “Natural Gas Pipeline Permitting Reform Act.”

The United States is in the middle of an energy renaissance and America’s small businesses are driving the resurgence. According to the latest Census Bureau data, please note the following:

- Among oil and gas extraction businesses, 91.1 percent of employer firms in 2011 had less than 20 workers.
- Among oil and gas pipeline and related structures construction businesses, 65.5 percent of employer firms in 2011 had less than 20 workers.
- And among oil and gas field machinery and equipment manufacturing businesses, 57.6 percent of employer firms in 2011 had less than 20 workers.
- Among support for oil and gas operations businesses, 83.3 percent of employer firms in 2011 had less than 20 workers.
- Among drilling oil and gas wells businesses, 79.8 percent of employer firms in 2011 had less than 20 workers.

In addition, according to a new study released by SBE Council on November 13, 2014, the energy industry is a critical one for U.S. business formation and entrepreneurship. While new business formation in the U.S. is on the decline, there is entrepreneurial vitality in the energy sector. For example, construction businesses related to oil and gas pipeline and related structures grew by 12.2 percent among firms with less than 20 workers from 2005 to 2012; oil and gas extraction businesses grew by 4.1 percent among firms with less than 20 workers; businesses drilling oil and gas wells grew by 7.9 percent among firms with less than 20 workers; businesses supporting oil and gas operations grew by 29.1 percent among firms with less than 20 workers; and manufacturing businesses related to oil and gas field machinery and equipment grew by 8.5 percent among firms with less than 20 workers. It is important to understand that during this same

period, the total number of small and mid-size employer firms declined, but the opposite was true in the energy sector.

H.R. 161 solves a real issue for the economy and job creation by expediting the permitting process. According to the February 2013 report from the Government Accountability Office (GAO), the average time between pre-filing an application and certification by Federal Energy Regulatory Commission (FERC) was 558 days. H.R. 161 would require FERC to act on completed application for a natural gas pipeline project within 12 months. In addition, your bill would require federal agencies responsible for project-related licenses or permits for locating, building, or operating projects to make decisions within 90 days of FERC issuing a final environmental review. Failure to act would deem the permit approved, and create additional opportunities to small business to expand and to hire more workers.

Thank you for your leadership on this important issue for small businesses. Our nation's energy infrastructure must keep pace with growth in the industry. A more efficient and responsive permitting process is critical to that end, and will support the small firms that play a vital role in this sector.

A vote for H.R. 161 is a vote for America's job creators. SBE Council is pleased to support H.R. 161 and looks forward to working with you to advance the bill in the House and the Senate.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Kerrigan". The signature is fluid and cursive, with the first name "Karen" and last name "Kerrigan" clearly distinguishable.

Karen Kerrigan
President and CEO

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Protecting Small Business, Promoting Entrepreneurship