

Opening Statement
Chairman Bobby L. Rush
Subcommittee on Energy
Committee on Energy and Commerce
Hearing on “Modernizing the Natural Gas Act to Ensure it Works for Everyone”
February 5, 2020

In 1938, the United States Congress enacted the Natural Gas Act to regulate the interstate transport of natural gas. This action made regional access to the newly emerging energy source possible. The Act also addressed jurisdictional concerns underlined by a Supreme Court decision that deemed state regulation of interstate pipelines unlawful. Thus, it became the responsibility of the federal government to oversee this growing infrastructure.

Subsequently, the Federal Energy Regulatory Commission was tasked with administering the integrity of this law on behalf of the federal government. It has since created corresponding policy statements to guide its review of pipeline applications under this authority. However, in recent decades, the execution of this authority has come under scrutiny.

The Commission released a 2018 notice of inquiry in light of these concerns and to explore the efficacy of natural gas application reviews. A total of 1,600 organizations and individuals responded to this notice — most of them interested in reforms to FERC’s current methods. Specific reform petitions include refining the Commission’s need determinations, considering climate change and environmental impacts, and improving overall application processes.

Last week, the Commission announced a structural reorganization to address the backlog of landowner rehearing requests associated with the pipeline review process. Though, I appreciate the Commission’s consideration of this specific concern, this does not match the sweeping reform FERC must implement to fix a bygone process.

A key element that must be addressed is how the Commission makes its “public need determination”. Presently, FERC merely requires applicants to demonstrate “public need” through preliminary contracts or precedent agreements for gas sales. This determination does not reflect the intricacies of what a modern-day pipeline application should entail.

Regional need, eminent domain concerns, and the consequence to landowners must be factors in the federal government’s approval of pipeline capacity expansion projects. Further, this process should take a closer look at the impact on our environment and expected energy transitions.

Today, this Subcommittee will discuss the incompleteness of this critical legislation and what measures should be taken to upgrade its implementation. The origin of the Natural Gas Act is deeply rooted in serving the public’s interest. As the interests of the public grow more complex, we must ensure that the laws governing those interests are comprehensive.

With that, I recognize my friend and colleague, Ranking Member Upton.