



November 19, 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. DCA continues to support the Natural Gas Pipeline Permitting Act (HR 1900), which would create clear deadlines for both the Federal Energy Regulatory Commission (FERC) and the many federal agencies involved in approving interstate natural gas pipeline projects, and we look forward to seeing the bill pass in the House of Representatives this week.

According to IHS Global Insight, more than \$3 trillion in investments in unconventional gas development are expected between now and 2035, creating 2.4 million jobs along the way, and generating nearly \$1.5 trillion in federal, state, and local tax and royalty revenue by 2015. Pipeline projects create high-paying jobs, generate significant economic activity and expand the local tax base. More than 600,000 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 increases demand for products and services in other industries.

IHS also estimates that 47,000 miles of new pipelines are needed to meet current demand. Unfortunately, the current permitting process often obstructs production and abandons an enormous economic driver. Key pipeline projects are often stalled because of delays in acquiring federal and state permits and rights-of-way approvals from various regulatory agencies. These delays increase costs and lead to missed in-service dates, neglecting the many economic benefits that come with these projects.

The legislation would require FERC to approve or deny a requested pipeline permit no later than 12 months after receiving a complete application and require federal agencies to consider the application within 90 days after FERC's review, allowing for a 30-day extension for unanticipated circumstances.

The economic returns that come with natural gas pipeline projects are too important to be delayed or lost altogether because of delays in the permitting process. The Federal Energy Regulatory Commission (FERC) is generally effective in reviewing applications for permission to build pipelines but lacks the authority to enforce permitting deadlines for other federal and state agencies. HR 1900 addresses this in an effective way, and we hope to see the legislation pass with a strong majority in support.

Sincerely,

A handwritten signature in black ink, appearing to read "RD", with a long, sweeping underline.

Robert Darden
Executive Vice President

Cc: House Committee on Energy and Commerce