

Energy Piping Systems Division (EPSD)

September 17, 2014

The Honorable Lee Terry 2266 Rayburn House Office Building United States House of Representatives Washington, D.C. 20515

Dear Representative Terry,

The Plastics Pipe Institute (PPI) Energy Piping Systems Division (EPSD) promotes the acceptance and responsible use of plastic pressure pipe and systems in energy markets including gas distribution and oil and gas gathering. PPI/EPSD supports the American Energy Solutions for Lower Costs & More American Jobs Act (HR 2), and we thank you for your leadership in introducing this important legislation.

PPI/EPSD members manufacture high density polyethylene, polyamides and spoolable composite piping used in the vast majority of America's gas distribution network as well as within many oil and gas gathering system. As the U.S. continues to produce increasing amounts of energy, this piping is playing a larger role in transporting it and contributing to the resulting economic benefits.

According to IHS Global Insight, it is estimated that between now and 2025, 47,000 miles of new pipelines will be built to connect shale gas and oil to industrial and consumer markets in the U.S. This represents more than \$100 billion invested, much of which will be in the capital equipment and supplies needed for pipeline construction. Shale energy is also expected to spur over \$200 billion of new investment in refining, processing, and chemical manufacturing capacity in the United States over the same time period. In total, up to 3.9 million jobs are expected to be created, either directly or indirectly related to the energy industry.

Congress should do everything possible to eliminate or at least mitigate barriers to natural gas development, production, and transportation wherever possible. The legislation includes a collection of bills previously passed by the House, including the Natural Gas Pipeline Permitting Reform Act (HR 1900), which would improve the review process for natural gas pipeline permit applications. The package includes several other pro-energy measures that would help the U.S. build the infrastructure needed to fully develop our abundant energy resources by reducing the federal red-tape and updating the archaic permitting processes.

Plastic piping now represents more than 95 percent of all newly installed gas distribution piping in the U.S., 99 percent of which is polyethylene. Your legislation includes important provisions to accelerate the permitting process for important pipeline projects, which would also facilitate work on gas distribution systems. We thank you for your leadership and fully support this important legislation.

Best Regards,

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Randall Knapp Director of Engineering

cc: Rep. Kevin McCarthy, House Majority Leader cc: Rep. Fred Upton, Chairman, House Energy and Commerce Committee