



Donald F. Santa, Jr.
President

August 28, 2008

The Honorable Tim Bishop
225 Cannon House Office Building
Washington, DC 20515-3201

The Honorable Elijah E. Cummings
2235 Rayburn House Office Building
Washington, DC 20515-2007

Dear Representatives Bishop and Cummings,

On behalf of the members of the Interstate Natural Gas Association of America (INGAA), I am writing to express our opposition to H.R. 6720, the Natural Gas Strategy Act. INGAA represents virtually all of the interstate natural gas pipelines in the United States. While we agree with your statements about the importance of natural gas infrastructure development, we believe, however, that H.R. 6720 attempts to fix a process that is not broken, and in doing so, jeopardizes the very infrastructure development it intends to support.

The legislation would establish a commission to examine the process for review and placement of natural gas infrastructure. We respectfully suggest that Congress already has created such a commission – the Federal Energy Regulatory Commission – which has statutory authority for reviewing proposed natural gas infrastructure projects and approving only those projects that it finds to be in “the public convenience and necessity.” FERC (and its predecessor the Federal Power Commission) has responsibly fulfilled this Congressional mandate since 1942. The process for reviewing, approving and siting natural gas infrastructure is the product of a well-developed body of law reflected in federal statute, regulatory rulemaking and judicial precedent that has evolved over more the 65 years.

The current process is characterized by a very open and comprehensive pre-filing and certificate application process established by FERC. Specifically, FERC regulations require and encourage participation by landowners, federal, regional, state and local agencies, and other interested parties. A comprehensive review of environmental issues also is an integral part of the process. FERC is obligated to consider the environmental impact of a proposed natural gas project under the National Environmental Policy Act and, as part of the certificate application, an applicant must demonstrate to FERC that it has complied with numerous federal statutes, such as the Endangered Species Act and the National Historic Preservation Act.

Interstate Natural Gas Association of America
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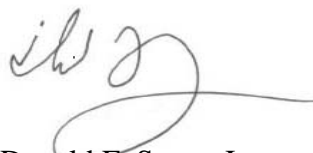
The natural gas pipeline network in North America is the most fully developed natural gas transmission infrastructure in the world. The case can be made convincingly that, regardless of the fuel or form of energy, our natural gas pipeline network sets the global standard for robust and reliable energy infrastructure. Most major U.S. metropolitan areas are served by multiple natural gas pipelines that create competitive choices for pipeline customers in those markets. The United States' highly developed natural gas infrastructure is no accident; it is the result of a conscious decision on the part of the FERC to let the market, rather than the government, pick the winners in the race to meet the needs of energy consumers. This market-based approach to building natural gas infrastructure works, because private capital investment flows to where infrastructure is needed most to connect natural gas supply with growing markets.

It also is instructive to compare the natural gas success story to the stalemate over building new electric transmission lines. While the need for new electric transmission infrastructure in the U.S. is undeniable, the anemic growth in electric transmission capacity can be traced to the often insurmountable process required to approve such projects. Yet the direction suggested by H.R. 6720 would alter the natural gas infrastructure approval process to mirror more closely that of electric transmission. Top-down, government-prescribed solutions will not result in constructing natural gas infrastructure on a timely basis; rather, such a policy will lead to delay, litigation, supply constraints, and higher natural gas prices.

The current FERC process has created a natural gas infrastructure that is competitive, reliable, and market-responsive. It is a model for others to adopt and emulate, not a problem in need of a solution. We urge you to reconsider launching an initiative to restructure a process that has worked so well for American consumers.

I would be happy to discuss these concerns further with you. Please contact INGAA's Vice President of Legislative Affairs, Martin Edwards (202-216-5910, medwards@ingaa.org) if you have questions or would like meet.

Respectfully,

A handwritten signature in black ink, appearing to read 'D. Santa', with a long horizontal flourish extending to the right.

Donald F. Santa, Jr.
President

cc: The Honorable John Dingell
The Honorable Joe Barton
The Honorable Jeff Bingaman
The Honorable Pete Domenici