

Like the interstate highway system that facilitates transport and commerce between cities, states and rural communities around the country, the interstate natural gas pipeline system provides for efficient transport of natural gas from the regions where the fuel is produced to end users.

## Landowner Commitments

INGAA's [Commitment to Landowners](#) is a set of guiding principles adopted by our member companies and rooted in respect, trust and transparency. We recognize the importance of fair and respectful treatment of landowners impacted by the projects we construct and operate – projects that are helping to meet the energy needs of communities and customers across the country.

Every easement negotiation begins with the expectation that a mutual agreement can be reached, and eminent domain will not need to be exercised. Further, INGAA members will communicate clearly that federal eminent domain will not be exercised unless FERC grants a certificate. Eminent domain will only be exercised as a means of last resort.



While underground and largely out of sight, this interconnected system of pipelines provides a critical transportation link to local utilities, power generating facilities and manufacturers who rely on natural gas to meet domestic energy needs.

To facilitate the efficient build-out of this critical infrastructure system, in 1947 the U.S. Congress amended Section 7 of the Natural Gas Act (NGA), which requires pipeline operators to obtain a certificate of public convenience and necessity from the agency now known as the Federal Energy Regulatory Commission (FERC), to include a new provision, Section 7(h). Section 7(h) provides pipeline companies, whose projects FERC has found to be in the public convenience and necessity, with the ability to use eminent domain to acquire land that could not be acquired through voluntary easements. Pipeline operators use eminent domain as a last resort.

## Eminent Domain By The Numbers



According to an INGAA member company survey of projects placed into service between 2008 and 2018 – a total of **7,200 miles<sup>1</sup>** of interstate natural gas pipelines – less than **2 percent** of those right-of-way easements required a judicial determination for eminent domain.

<sup>1</sup> U.S. Energy Information Administration

*As part of the FERC review and approval process, pipeline operators often – and in some cases hundreds of times, depending on the size of the project – reroute pipelines to accommodate landowner requests.*

## Pipelines Benefit Consumers & the Environment

The growth in domestic natural gas production from shale formations over the past decade has created tremendous consumer and environmental benefits. According to an October 2019 analysis by the White House [Council of Economic Advisors](#), the shale revolution “has reduced the domestic price of natural gas by 63 percent as of 2018 and led to a 45 percent decrease in the wholesale price of electricity.” This translates to an annual consumer savings of \$203 billion, or \$2,500 for a family of four (80 percent of this savings comes from lower natural gas prices and 20 percent stems from lower oil prices).



## Pipelines Benefit Consumers & the Environment *(continued)*

The same analysis found that from 2005-2017, “the shale revolution lowered energy related [greenhouse gas] emissions by 527 million metric tons per year, or 9 percent of GHG emissions in 2005. This contributed to a greater decline in GHG and particulate emissions (relative to the size of the economy) in the United States than in the European Union over that period.”

Without the ability to develop the required energy infrastructure efficiently—including the very limited use of eminent domain – to bring this natural gas to market, these consumer and environmental savings would not be possible.

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### History of Eminent Domain and the NGA

Enacted in 1938, the NGA was the first instance where the federal government was charged with regulating interstate natural gas infrastructure. Section 7 of the NGA required pipelines to obtain a certificate from the Federal Power Commission (now known as FERC) in order to build and operate this infrastructure. Nearly a decade later, the country faced extreme winter natural gas shortages due to the inability to expand natural gas pipeline infrastructure in response to growing demand. The shortages resulted in thousands of employee layoffs in consuming states and a waste of this valuable resource in producing states due to increased flaring.

Congress found that individual states, landowners and the proponents of competing fuels (at that time, the coal industry and the railroads that transported coal) were thwarting the construction of federally-approved interstate pipelines. In order to alleviate the shortage, and allow needed pipeline infrastructure to be built, Congress amended the NGA and added Section 7(h) in 1947 to permit the use of federal eminent domain by pipeline companies granted a FERC certificate of public convenience and necessity.

INGAA members recognize that with this ability, comes a tremendous responsibility. That’s why our members view eminent domain as an absolute last resort. According to an INGAA survey covering projects certificated and placed in-service from 2008-2018 – a period that coincides with the shale gas revolution – a judicial determination was needed to acquire less than 2 percent of all right-of-way easements that our members needed to construct FERC-approved projects.

### Efforts to Amend Section 7 NGA Will Harm Consumers

Congress enacted Section 7(h) of the NGA to ensure that federally-approved transportation projects can be built to deliver needed natural gas to consumers. The ability to construct interstate natural gas pipelines would be greatly compromised if Congress amends the NGA to grant individual landowners and individual communities an effective veto over pipeline projects found by FERC to be in the public interest.

Unlike other commodities that can be transported by rail, barge or truck, the only economical way to move significant volumes of natural gas over land is by large diameter pipelines.

If Congress amended Section 7 to give each landowner along a pipeline route the ability to veto a project, few, if any, such projects would be built, notwithstanding FERC’s finding that a project was in the public convenience and necessity. Fewer projects mean fewer opportunities for consumers to reap the benefits – \$2,500 per family annually, according to The Council of Economic Advisors – of domestic natural gas supplies as well as slowing the transition to a lower-carbon future by reducing the deployment of renewable power sources that rely on natural gas as a complementary fuel source.

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