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February 24, 2025

The Honorable Daniel Webster
Chairman
House Subcommittee on Railroads,
Pipelines,
and Hazardous Materials
Washington, DC 20515

The Honorable Dina Titus
Ranking Member
House Subcommittee on Railroads,
Pipelines,
and Hazardous Materials
Washington, DC 20515

Re: Comments for the Record on Hearing on “Promoting and Improving Safety and Efficient Pipeline Infrastructure”

Dear Chairman Webster and Ranking Member Titus:

The manufacturing sector’s economic growth has never before faced such a growing crisis as we are faced with today, due to inadequate natural gas pipeline capacity. The recent protracted cold weather has once again shown the fragility of our nation’s natural gas system as 44 pipelines¹ across the country have issued either operational flow orders (OFOs) or curtailment notices to manufacturing companies to reduce demand in order to service the needs of homeowners, power companies, and LNG exports. When there is inadequate pipeline capacity, manufacturing companies are always the first to be curtailed. Curtailment can cost millions of dollars per day, disrupt operations, damage equipment, impact supply chains for consumer, industrial, and national defense products.

On behalf of the member companies of the Industrial Energy Consumers of America (IECA), of which 100 percent are manufacturing companies, we urge the Subcommittee to support legislation to expand natural gas pipeline capacity. The manufacturing sector consumes 26 percent of U.S. natural gas, which is used as feedstock and fuel. Electricity cannot be used to displace our demand for natural gas. Pipelines are safe and reliable for transportation.

Each year, the crisis for U.S. manufacturing has become more severe. This winter, because of inadequate pipeline capacity, manufacturers have paid as much as \$120 MMBtu for spot natural gas while natural gas is trading around \$15 MMBtu at the Dutch Title Transfer benchmark in Europe and \$14 MMBtu at the Japan Korea Marker in Asia. Higher prices due to constrained pipeline capacity also significantly increased electricity prices. Because we are price sensitive and compete globally, competitiveness is impacted.

¹ 44 Natural Gas Pipelines Require Manufacturers To Reduce/Curtail Use of Natural Gas Due to Inadequate Pipeline Capacity, https://www.ieca-us.org/wp-content/uploads/02.06.25_Pipeline-Capacity-Shortage_ENR.pdf

Congress wants manufacturing companies to reshore jobs and investments. That cannot happen without substantial increases in pipeline capacity. And much higher demand is forecasted due to needed power generation for electrification of the economy, data centers, and increasing LNG exports.

We urge this Subcommittee to support energy permitting reform and support the manufacturing industry who employs 12.8 million people and contributes \$2.8 trillion to the U.S. GDP. Thank you in advance.

Sincerely,

Paul N. Cicio

Paul N. Cicio

President & CEO

cc: House Committee on Transportation & Infrastructure

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission (FERC). IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.