

Jay Timmons
President and CEO

September 6, 2017

The Honorable Rick Perry
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Secretary Perry:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing small and large manufacturers in every industrial sector and all 50 states, supports the establishment of an Appalachian Storage Hub to store and transport natural gas liquids (NGLs) extracted from the Marcellus, Utica and Rogersville shale formations and urges you to explore ways the Department can remove barriers to the creation of this exciting new infrastructure project.

As you know, NGLs such as ethane are the building blocks of thousands of manufactured products, and proximity to a secure, competitively-priced supply of these chemical compounds is a high priority for manufacturers looking to operate in the U.S. Since the Marcellus, Utica and Rogersville shale formations lack an adequate local storage solution, ethane produced from these areas is instead either shipped by pipeline to Mount Belvieu, Texas, Ontario, Canada, and Marcus Hook, Pennsylvania, or simply wasted. As much as 40 percent of the ethane produced in the Marcellus and Utica regions is simply returned to the natural gas stream, effectively landlocked.

The U.S. is now the world's largest natural gas producer. We have truly become energy dominant, and the addition of a storage hub for ethane and other NGLs in the Appalachian region would add to this dominance by attracting manufacturers and their deep supply chains. The American Chemistry Council estimates that an Appalachian Storage Hub could generate over 100,000 jobs and \$36 billion in capital investment from the petrochemical industry. Since many other manufacturing sectors also rely on NGLs, these impressive numbers may turn out to be conservative.

The NAM stands ready to support the Department as it explores the establishment of an Appalachian Storage Hub. Please contact me if I can assist in any way.

Sincerely,



Jay Timmons
President & CEO

Cc: Congressman David McKinley
Senators Shelley Moore Capito and Joe Manchin