



April 10, 2018

Donald J. Trump
President of the United States
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

The United States is now the leading natural gas producer in the world. Greater use of natural gas here in the U.S. and through LNG exports can yield tremendous benefits to our economy.

The key to realizing the full value of natural gas is the continued development of a robust natural gas infrastructure along the entire value chain so that natural gas can be delivered wherever and whenever it is needed. The need for new energy infrastructure has never been more important, as new natural gas supplies present new opportunities for our economy to take advantage of this abundant and low-cost energy resource.

The Natural Gas Council appreciates the Administration's recognition that the permitting process for natural gas infrastructure has become more protracted and challenging in recent years and inclusion of permitting reforms in its Legislative Outline for Rebuilding Infrastructure in America. The implementation of Clean Water Act Section 401, which provides states with the opportunity to consider the potential water quality impacts of infrastructure projects requiring federal approval, has proven particularly challenging and would benefit from further direction from the Administration beyond what was included in the Legislative Outline. Recent implementation of Section 401 has created much confusion and frustration and has resulted in significant delays to infrastructure projects. Moreover, some states are improperly using Section 401 to hijack the permitting process for pipelines that transport natural gas in interstate commerce.

These actions undermine the Federal Energy Regulatory Commission's exclusive authority to approve interstate natural gas pipelines, and deny other states the opportunity to benefit from this infrastructure. These state actions are a disservice to the cooperative federalism central to the efficient and predictable permitting of infrastructure.

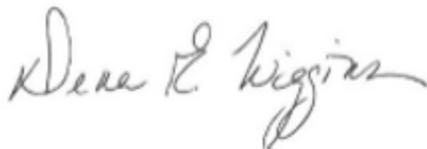
As representatives of the full spectrum of the natural gas industry—producers, suppliers, pipelines and local gas utilities—the members of the Natural Gas Council encourage you to restore predictability and balance to the permitting of natural gas infrastructure. Providing instruction on the appropriate role and process by which the federal government implements Section 401 can restore the balance of federal and state authorities.

In particular, lead federal permitting agencies should recognize their authority and obligation to define and implement the Section 401 process. This includes ensuring that a state is not manipulating the process through enforcement of the statutory time period and confirming state actions are related to applicable water quality standards. Where the process is not followed, the lead federal agency has the duty and obligation to find the Section 401 obligation waived for all federal authorizations required for the project. Other federal agencies must accept the waiver determination and move forward with implementing their statutory requirements for licensing and permitting of the proposed project.

By providing clear instruction on how the Section 401 process is to be implemented by lead federal permitting agencies, this Administration can ensure that Section 401 is implemented consistent with the Clean Water Act and with the principles of cooperative federalism.

Sincerely,

The Natural Gas Council



Dena Wiggins, President and CEO
Natural Gas Supply Association



Jack Gerard, President and CEO
American Petroleum Institute



Dave McCurdy, President and CEO
American Gas Association



Barry Russell, President and CEO
Independent Petroleum Association of America



Don Santa, President and CEO
Interstate Natural Gas Association of America