



Industrial Energy Consumers of America
The Voice of Industrial Energy Consumer

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October 31, 2007

Dear Members of Congress:

IECA strongly encourages you to not include Title VII and Title XIII of H.R. 3221 in your energy legislation. The membership of the Industrial Energy Consumers of America (IECA) is very concerned about the House Committee on Natural Resources' provisions that would decrease – not increase – domestic production of natural gas. Natural gas prices on the NYMEX for next year are about 11 percent above current prices which means that homeowners, farmers and manufacturers will pay about \$18 billion more next year. FERC says that higher natural gas prices are also driving up the cost of electricity across the country.

We are rightfully concerned that repeal or changes to existing law will slow down the rate of natural gas production. Relatively small changes in the rate of natural gas production can have enormous impact on the price consumers pay. For example, Hurricane Katrina reduced natural gas production by only 5% for about five months but cost consumers \$40.8 billion more in higher prices than paid in the same months for the previous year.

Total U.S. natural gas production is down 4% since 2000 despite record well completions. Importantly, increases in the Rocky Mountain Region have increased production and have offset decreases from the Gulf of Mexico. The Energy Policy Act of 2005 provisions are playing an important role in the Rocky Mountain Region increases.

Thank you for your help in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul N. Cicio".

Paul N. Cicio
President

IECA promotes the interests of manufacturing companies for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, aluminum, chemicals, fertilizer, brick, insulation, steel, glass, industrial gases, pharmaceutical, construction products, automotive products, and brewing.