



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

1776 K Street, NW, Suite 720 • Washington, D.C. 20006
Telephone (202) 223-1420 • www.ieca-us.org

February 12, 2019

The Honorable John Cornyn
U.S. Senate
517 Hart Senate Office Building
Washington, DC 20510

The Honorable Martin Heinrich
U.S. Senate
303 Hart Senate Office Building
Washington, DC 20510

Re: S. 300, the “Pipeline and LNG Facility Cybersecurity Preparedness Act”

Dear Senators Cornyn and Heinrich:

On behalf of the Industrial Energy Consumers of America (IECA), we thank you for your leadership to improve the physical and cybersecurity of natural gas pipelines and liquefied natural gas facilities by introducing S. 300, the “Pipeline and LNG Facility Cybersecurity Preparedness Act.” We agree that it is urgent to do so and requested an oversight hearing by the Senate Committee on Energy and Natural Resources last August on this matter.¹ However, when so much is resting on the reliability of natural gas pipelines, we cannot help but be concerned that the natural gas pipeline security requirements under the Transportation Security Administration (TSA) are voluntary, not mandatory. We encourage you to modify S. 300 to provide for enforceable nationwide natural gas pipeline and LNG facility security standards.

As you may know, for the electricity grid, the North American Electric Reliability Corporation (NERC) has set mandatory standards that are enforced to secure the reliability of the nation’s electric grid. And, we note that despite these mandatory requirements, companies do not always comply with them. On February 1, 2019, Duke Energy Corporation agreed to pay a record \$10 million fine to regulators to settle 127 violations of security standards designed to protect the electric grid from cyberattacks and other related issues. There is no excuse for this, especially given that the costs associated with actions to prevent cyberattacks are guaranteed to be paid for by ratepayers and not out of corporate profits.

Given NERC’s action to ensure electric grid security, *natural gas pipelines are the weak link in U.S. national energy infrastructure*. The TSA has the authority to promulgate security regulations and has not done so. News reports cite that the TSA has only six full-time people assigned to oversee over 300,000 miles of natural gas pipelines. This does not give us confidence that there is adequate security.

¹ IECA Letter to Senate Committee on Energy and Natural Resources on securing national cyber and physical security of natural gas pipelines, August 29, 2018, https://www.ieca-us.com/wp-content/uploads/08.29.18_Senate-TSA-Letter.pdf

As very large consumers of natural gas and natural gas-fired electric generation, we understand that implementation of mandatory security requirements on pipelines will increase costs that will be passed on to us. However, one successful attack could shutdown tens of thousands of manufacturing facilities at costs of tens of millions of dollars per day for each facility. The economic harm could be staggering.

We thank you in advance for considering changes to your legislation. It is prudent to be proactive to ensure that we have sufficient safeguards in place to protect America. We look forward to working with you on this important matter.

Sincerely,

Paul Cicio
President

cc: Senate Committee on Commerce, Science, and Transportation
Senate Committee on Energy and Natural Resources
Senate Committee on Homeland Security and Governmental Affairs
The Honorable Bruce Walker, U.S. Department of Energy
The Honorable Neil Chatterjee, Federal Energy Regulatory Commission
The Honorable Cheryl LaFleur, Federal Energy Regulatory Commission
The Honorable Richard Glick, Federal Energy Regulatory Commission
The Honorable Bernard McNamee, Federal Energy Regulatory Commission
The Honorable David Pekoske, Transportation Security Administration

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration 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: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.