



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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August 29, 2018

The Honorable Lisa Murkowski
Chairman
Committee on Energy and Natural
Resources
U.S. Senate
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Committee on Energy and Natural
Resources
U.S. Senate
511 Hart Senate Office Building
Washington, DC 20510

Re: Securing national cyber and physical security of natural gas pipelines

Dear Chairman Murkowski and Ranking Member Cantwell:

It is well known that U.S. national energy infrastructure is regularly under attack by entities that wish to do great harm. When so much is resting on the reliability of natural gas pipelines, we cannot help but be concerned that the security requirements under the Transportation Security Administration (TSA) are voluntary, not mandatory. This is in contrast to the electric grid where the North American Electric Reliability Corporation (NERC) has set mandatory standards that are enforced to secure the reliability of the nation's electric grid. It is for this reason that we encourage the Committee to conduct an oversight hearing on this matter and take appropriate action to ensure that Congress has done all that is reasonable and cost-effective to ensure the security of natural gas pipelines.

It appears to us that given NERC's action to ensure electric grid security, natural gas pipelines are the weak link in U.S. national energy infrastructure. TSA has the authority to promulgate security regulations and has not done so and the voluntary standards are not enforced. News reports cite that the TSA has only six full-time people assigned to oversee over 300,000 miles of natural gas pipeline. These statistics do not give us confidence that there is adequate security.

We support an enforceable nationwide natural gas pipeline security standard, but that the accountability needs to rest on the pipeline companies. We do not support the creation of a NERC-type organization for natural gas pipelines. One could make the argument that NERC's responsibilities could be changed to include natural gas pipelines

given their in-house knowledge and the importance of the gas/electricity interface issues.

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

We thank you in advance for considering a hearing on this important matter. 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 N. Cicio
President

cc: The Honorable Rick Perry, Secretary, DOE
The Honorable David P. Pekoske, Administrator, TSA
The Honorable Kevin J. McIntyre, Chairman, FERC
The Honorable Cheryl A. LaFleur, Commissioner, FERC
The Honorable Neil Chatterjee, Commissioner, FERC
The Honorable Richard Glick, Commissioner, FERC
Senate Committee on Energy and Natural Resources

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.