

# United States Senate

WASHINGTON, DC 20510

May 17, 2017

Mr. Gary D. Cohn  
Director, National Economic Council  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear Mr. Cohn:

As the White House considers the future of our nation's energy infrastructure, we encourage you to examine the numerous benefits of the development and construction of the Appalachian Storage Hub, a world-class natural gas liquid (NGL) storage and distribution hub in the Appalachian region. The Appalachian Storage Hub is a vital American infrastructure project that would enhance energy and national security while leveraging the region's unique energy resources for the long-term economic benefit of families, manufacturers, and communities in nearby states and across the nation.

An abundance of wet natural gas<sup>1</sup> in the Marcellus, Utica and Rogersville shale formations has recently resulted in significant announcements of new investment in the Appalachian region, particularly by the petrochemical industry. In fact, the region's supplies of NGLs is highly underutilized. Stakeholders in the industry and Appalachian communities are increasingly optimistic that the development of a regional storage hub could attract at least six world-scale petrochemical complexes, along with a number of smaller facilities.

In a recent economic study, the American Chemistry Council concluded that the creation of such a hub would allow the Appalachian region to seize on the opportunities associated with these valuable natural resources, potentially attracting up to \$36 billion in new chemical and plastics industry investment and creating 100,000 new jobs in the area.<sup>2</sup> The construction of a hub and the associated infrastructure and ethylene/polyethylene facilities, will attract sorely needed economic activity to this underserved part of the country, which continues to suffer from high unemployment as a result from the downturn in energy and manufacturing production.

In addition to the national and energy security benefits that come with a new production and storage center for these vital materials, the Hub would create economic growth, workforce development, high-paying jobs, and more resilient supply chains. The cumulative effect of these benefits would have an immeasurable effect on the economic revitalization of the region.


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<sup>1</sup> The Energy Information Administration describes wet natural gas as a "mixture of hydrocarbons and a small quantity of nonhydrocarbons. The principal hydrocarbons normally contained in the mixture are methane, ethane, propane, butane, and pentane." The EIA also notes that "Between 2008 and 2013, volumes of liquids produced from wet natural gas grew at an average of 7% annually, with increases concentrated in the Gulf Coast. Production in the Marcellus region is still relatively small, but is growing rapidly." More at: <https://www.eia.gov/todayinenergy/detail.php?id=16191>

<sup>2</sup> "The Potential Economic Benefits of an Appalachian Petrochemical Industry." The American Chemistry Council. April 2017.

We look forward to discussing these opportunities with your Administration as well as working with Congress. Please do not hesitate to reach out with any questions.

Sincerely,

  
Joe Manchin III  
United States Senator

  
Shelley Moore Capito  
United States Senator