



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Pallone Statement at Energy Infrastructure Hearing

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) offered the following remarks at a Subcommittee on Energy hearing on “Legislation Addressing Pipeline and Hydropower Infrastructure Modernization:”*

Mr. Chairman, thank you for holding today’s hearing on 10 bills addressing hydropower and pipeline infrastructure.

Hydroelectric power is among the most mature generating technologies. It provides virtually carbon-free baseload energy at low cost to our manufacturing sector and to residential and commercial consumers. Hydroelectric power is an important asset we need to maintain.

At the same time, it has major impacts on fish and wildlife populations, water quality, water supply management, and other important physical and cultural resources if poorly operated or sited. While hydroelectric power licensees depend on rivers for free fuel, those rivers belong to all Americans, not just those who sell or buy the power generated from it.

Hydroelectric licenses have fixed conditions that generally remain unchanged during the 30 to 50 years they are in force. Licensees also benefit from unlimited, automatic, annual extensions after their license has expired if a new license has not been issued. As a result, the impacts of these hydropower dams often go unaddressed for more than half a century. For those facilities first licensed before enactment of the National Environmental Policy Act, the Clean Water Act, and the Endangered Species Act in the 1970s, the licensing process certainly can be quite rigorous. Sometimes, the necessity of addressing these complex issues also makes the process time-consuming and expensive as new license conditions will require significant upgrades to old facilities to bring them in line with modern environmental laws and regulations.

Mr. Chairman, we want to work with you on hydroelectric licensing reform with the goal of expediting the process while maintaining the fundamental principles of balance in the process. This would allow us to maximize the benefits of hydroelectric power and expand it where it is most appropriate to do so. Our hydro hearing in March, was one of the most constructive we’ve had and that was very encouraging. Yet, it was also incomplete because

we did not hear from the other stakeholders who are central to relicensing. We didn't hear from federal resource agencies, states and tribes. This is something Members on our side feel strongly about, which is why we wrote you, Mr. Chairman, and Chairman Walden last week to request a hearing. We must understand more fully the challenges facing the hydropower industry and the rivers the industry relies upon before we update our policies. But we also gain a more thorough appreciation of the impacts of hydroelectric generation on others who use the rivers –tribes, fishermen, farmers, boaters and many more—to ensure their interests are treated fairly in the process.

Now, I would like to turn my attention to the two non-hydro bills before us today. First, we have a discussion draft that amends the Natural Gas Act and resembles similar legislation we saw last Congress, as well as proposals in prior years. The purported goal of the draft is to “enhance agency coordination” and speed up FERC’s review of natural gas pipelines. While I think we can all support the idea of making permitting more efficient generally, this bill, like its predecessors, remains a solution in search of a problem.

The fact is that in the last three years, FERC has approved more pipelines each year than the one preceding it, with roughly 90 percent of pipeline projects being certificated within one year.

I will admit, that since President Trump took office, the number of approvals has taken a dive, but that has nothing to do with the permitting process. Instead, approvals are down because FERC has lacked a quorum for three months and the President has yet to nominate anyone to any of the three open slots. To make matters worse, FERC will soon have only one commissioner when Commissioner Honorable’s term expires at the end of June.

What that means in terms of natural gas projects is that FERC has not approved a gas pipeline project since February 3rd. So, if the goal of my colleagues on the other side of the aisle is truly to speed up FERC approval of gas pipelines, perhaps they should pick up the phone and ask President Trump to nominate at least a couple of new FERC Commissioners so they can begin to consider applications for these projects once again. Until then, I find any conversation about needing legislation to expedite pipeline approvals at FERC untimely and absurd.

The Cross-Border Energy discussion draft also looks very similar to legislation we debated at length last Congress. This proposal eliminates the current presidential permitting process for energy projects that cross the U.S. border, substituting it with a weaker environmental review process that in effect rubber-stamps applications. With President Trump already approving the Keystone XL pipeline and signaling support for new pipelines and other energy projects across the country, it is unclear to me why Republicans feel it’s necessary to strip the President of his approval authority. Do my colleagues on the other side of the aisle honestly not have confidence in President Trump to make swift and rational decisions on major energy projects? While I certainly have many concerns, and would certainly not fault my Republican friends for any trepidation on their part, I still believe that this authority should continue to rest with the President of the United States, regardless of whether his name is Obama or Trump.

I want to thank all our witnesses for coming today, particularly Ms. Danis, who is from New Jersey and is here representing, among others, the New Jersey Conservation Foundation.

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