



May 21, 2019

The Honorable Frank Pallone
Chairman
Energy and Commerce Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable Greg Walden
Ranking Member
Energy and Commerce Committee
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Pallone and Ranking Member Walden:

Modernizing America's infrastructure is vital to America's small business and entrepreneurial sector. Modern and efficient infrastructure will improve the competitiveness of our nation's small businesses, and encourage new business creation. At the same time, America's entrepreneurs can play a larger role in infrastructure build-out by ensuring that the most innovative technologies and cutting-edge approaches are being used across all areas that require modernization.

The Small Business & Entrepreneurship Council (SBE Council) and our nationwide membership of entrepreneurs and small business supporters appreciate the work of the Energy and Commerce Committee in convening the May 22 hearing on infrastructure – "LIFT America: Modernizing our Infrastructure for the Future." SBE Council members strongly believe that an infrastructure package is necessary, and that bipartisan collaboration is essential for producing a package that addresses our nation's most critical needs.

Obviously, small businesses are concerned about many areas of infrastructure: from access to broadband, to better roads and bridges, clean water, and of course the energy they need to power their businesses. The efficient and smart use of taxpayer dollars is an essential feature of any infrastructure package, especially the speed at which projects begin and end, and fair rules on project bidding to ensure the inclusion of small to mid-size firms. Vast resources will be spent on an infrastructure package, and it is therefore critical that government bureaucracy and red tape not drive costs higher, place unreasonable delays on project approval or implementation, or erect costly barriers that will prevent small firms from participating in potential projects.

Of course, private investment is the driver of infrastructure in several key industries and the federal government must encourage this investment to help improve the competitiveness of these industries and to ensure cost-effectiveness and affordable access for all consumers. One critical area is energy, where new infrastructure is needed to bring small businesses affordable energy both now and into the future - especially in areas of the country where infrastructure constraints impose high and disproportionate costs on small firms, and where economic development is needed the most. Unfortunately, federal regulation and a lengthy and uncertain permitting process is a big impediment to private infrastructure investment. SBE Council would hope that an infrastructure package tackles the issue of “timely permitting” to encourage investment and to support the vast number of small businesses that play a role in America’s energy industry.

For example, consider the share of employer firms in these key energy sectors (according to the U.S. Census Bureau (2015): 89.6% of employer firms among oil and gas extraction businesses have fewer than 20 employees; 77.3% of employer firms among drilling oil and gas wells businesses have fewer than 20 workers; 80.7% of employer firms among support activities for oil and gas operations businesses have fewer than 20 employees; 58.2% of employer firms among oil and gas pipeline and related structures construction businesses have fewer than 20 workers; and 51.5% of employer firms among oil and gas field machinery and equipment manufacturing businesses have fewer than 20 employees.

Improving the permitting and environmental review process for major infrastructure and energy projects is an essential component of any effort to improve our nation’s infrastructure. A reasonable process is not only necessary for the construction of roads, bridges, ports, rail lines and fiber, but also for pipelines, oil and gas wells, and transmission lines.

Specific reforms to encourage private sector investment in energy infrastructure include: reasonable and timely deadlines for completing permitting reviews under the National Environmental Policy Act (NEPA), steps that promote consistent implementation and regulatory certainty with regard to Section 401 of the Clean Water Act, and modernizing regulations for the export of liquefied natural gas (LNG). The President’s April 10, 2019 [“Executive Order on Promoting Energy Infrastructure and Economic Growth”](#) offers some of these reforms including common sense solutions such as a single point of accountability to expedite the permitting process, greater transparency in the process, promoting timely Federal-State cooperation to expedite permits, and identifying market trends and federal guidance that could restrain the availability of capital that is needed for these important projects.

During the 21st Century, U.S. energy production has been transformed by private investment and innovation – such as the leaps forward in innovative practices made possible by energy entrepreneurs. As a result, the U.S. has been able to access energy reserves that previously were off limits, and gained incentives for further exploration leading to additional oil and natural gas finds. Of course, the U.S. is now the world’s energy leader.

Now it is time to align America’s energy infrastructure with its global leadership in this critical area. Modernizing and improving the permitting process and fixing regulatory areas that hamper investment will allow more of nation’s citizenry to benefit from this abundance, and ensure an ample supply of energy for future needs.

Thank you for the opportunity to submit this letter expressing our views. Please do not hesitate to call upon SBE Council if you have questions, or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Ringer". The signature is fluid and cursive, with a long horizontal stroke at the end.

President & CEO

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