



March 6, 2017

The Honorable Ken Helm, Chair
House Committee on Energy and Environment
Oregon House of Representatives
900 Court St., NE
Salem, OR 97301

RE: HB 2711

Dear Chair Helm and Members of the Committee:

On behalf of the member companies of the American Chemistry Council (ACC), thank you for the opportunity to comment on HB 2711, legislation that would impose a moratorium on the use of hydraulic fracturing to facilitate the production or recovery of oil or gas.

ACC represents more than 170 companies engaged in all aspects of the \$797 billion business of chemistry. More than 96 percent of all manufactured goods are touched directly through the business of chemistry including life-saving medical devices, automobile air bags, energy efficient building and construction products, solar cells, child safety seats, and products that help ensure drinking water is clean and safe. In Oregon, the business of chemistry provides nearly 3,800 direct jobs, generating \$29 million in state and local taxes, and shipping \$1.7 billion in products around the world.

America's chemistry industry relies on stable supplies of natural gas to heat and power our plants and as a primary raw material, or "feedstock," in chemical manufacturing. The availability and cost of natural gas strongly affects our ability to compete in global markets, create and retain jobs and grow exports.

Recently, the U.S. chemistry industry began a resurgence, driven largely by natural gas from shale. Increased shale gas production is helping to moderate and stabilize natural gas prices in this country, which brings down chemistry production costs. Today, the U.S. has become the most attractive place in the world to make chemicals, and a historic wave of expansion and investment is underway.

A recent ACC analysis shows that \$164 billion in capital spending could lead to \$105 billion per year in new chemical industry output and support 738,000 permanent new jobs across the U.S. economy by 2023, including 69,000 new chemical industry jobs, 357,000 jobs in supplier industries and 312,000 jobs in communities where workers spend their wages. Much of the new investment is geared toward export markets, which can help improve the U.S. trade balance.

ACC believes production of known U.S. natural gas reserves is one of the best ways to generate the reliable and affordable natural gas supply needed to maintain the competitiveness of America's chemical industry.



While natural gas and oil production in Oregon may be limited today, imposing a moratorium on hydraulic fracturing could unnecessarily stifle future economic growth opportunities.

Thank you for the opportunity to share these comments and our concerns with this legislation. Should you have any questions, please do not hesitate to contact me at 916-448-2581 or via email at tim_shestek@americanchemistry.com

Sincerely,

A handwritten signature in black ink, appearing to read "Ti Sh", with a long horizontal flourish extending to the right.

Tim Shestek
Senior Director, State Affairs

cc: Members, House Committee on Energy and Environment